



# 2013-2014 Budget & Financial Plan

## FINAL BUDGET



Provider of a full-range of municipal services

# City of Milpitas

CALIFORNIA

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# 2013-2014 Final Budget

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# *City of Milpitas*

## *“Vision, Values and Goals”*

- *We promote an enthusiastic partnership with the community, elected officials and city employees to achieve our vision.*
- *We care about those served.*
- *We pursue excellence.*
- *We encourage creativity and innovation.*

### ***Our Values***

- *Respect for our Customers*
- *Integrity*
- *Excellence*
- *“Can Do” Attitude*
- *Innovation*
- *Ethical Behavior*
- *Accountability*
- *Open, Honest Communication*
- *Community Trust*
- *Diversity*
- *Teamwork*
- *Fiscal Responsibility*

### ***Our Goals***

- *To be committed to quality customer services.*
- *To ensure and enhance the quality of life in our community.*
- *To invest in our employees.*
- *To be fiscally responsible.*

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# CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

July 30, 2013

Honorable Mayor and City Council  
City of Milpitas  
Milpitas, California 95035

Members of the City Council:

It is my pleasure to present to you the Adopted Budget for Fiscal Year 2013-2014. This budget includes the City's operating and capital improvement budget and the City's water and sewer utility operations. The Fiscal Year 2013-14 ("FY 13-14") budget was developed to incorporate the following City Council's priorities and policy direction.

## Policy Direction

- Continue to improve and maintain a high level of vital public services to the community in the most effective way
- Evaluate and review all City functions to eliminate duplications and achieve cost efficiencies
- Work towards becoming a recession-resistant City by developing and implementing fiscal strategies to ensure against economic uncertainties and long-term budget structural deficit
- Initiate economic development strategies that will recruit and retain businesses in the City
- Encourage commercial and residential development in the Midtown and Transit areas that will center on the new light rail system and the future BART system to alleviate traffic congestion
- Manage the dissolution of Redevelopment with the least impact possible to City service levels.

In developing the FY 13-14 budget, it should be mentioned that the City's budget has weathered the most challenging economic recession that officially began in December 2007 and ended two years later. However, the City of Milpitas did not experience any significant economic recovery until FY 2011-12 due to relatively high unemployment rate in the South Bay region and sharp decline of home prices. The City's financial condition was further impacted by the dissolution of the Redevelopment Agency in February 2012. The California Supreme Court's ruling on ABx1 26 that effectively dissolved all the redevelopment agencies was particularly difficult for the City. In addition to the loss of funding for many major infrastructure and economic development projects, the City also lost approximately \$7 million operating cost reimbursements annually allocated from the Milpitas Redevelopment Agency (RDA) to the General Fund.

Since FY 2008-09, the City reduced the General Fund operating costs through employee concessions, attritions, layoffs, outsourcing, reorganization and restructuring of non-core programs. These cost cutting measures, albeit painful, have greatly stabilized the General Fund's

financial conditions. In FY 2013-14, the General Fund's structural deficit gap has narrowed from \$12 million to approximately \$1.5 million, prior to any residual distributions from the Redevelopment Property Tax Trust Fund ("RPTTF"). Pursuant to ABx1 26 that legislates the dissolution of the redevelopment agencies, all remaining property tax revenue attributing to the former RDA after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. The City is one of the taxing entities that will receive its estimated share of approximately \$2.4 million in FY 13-14. By utilizing a portion of the residual distributions from the RPTTF to close the budget gap, the FY 13-14 General Fund budget is balanced for the first time in many years.

The primary focus of the FY 13-14 budget continues to be on delivery and preservation of core City services while maximizing overall organizational efficiency and cost savings. While it is a reprieve to not resolving to further cost reduction in the FY 13-14 budget, the City is still faced with many fiscal challenges in the long term. These challenges include continued escalation of pension costs and medical insurance premium, and finding solutions to replace funding resources needed for capital improvement and economic development projects as a result of RDA's dissolution.

The City's visions, values, and goals were last updated in 1993. In the last twenty years, much changes have occurred. The City has transformed itself from a suburban city to be a multi-cultured, diverse community with a broad base of businesses ranging from high tech companies such as Cisco, KLA-Tencor, retail such as the Great Mall of the Bay Area which is the largest enclosed shopping mall in Northern California to the recent addition of two major car dealerships, Honda and Toyota. While the City's population has increased significantly in the last decade, staffing level has reduced in the last few years. With the General Fund revenue finally stabilizing and actually improving, FY 2013-14 appears to be an appropriate time to review and redefine the City's visions, values and goals. Staff plans to undertake a strategic planning process next year to establish Citywide objectives and strategies that will guide the departments' workplans. It is anticipated that the Strategic Plan will be conducted in multiple phases and the community will be engaged in the initial vision and mission development process.

In anticipation of the Bay Area Rapid Transit ("BART")'s extension of its transit system from the Warm Springs Station in Fremont, through the Milpitas Station to the Berryessa Station in San Jose, the City adopted a Transit Area Specific Plan ("TASP") in 2008. The Plan presents an opportunity to transform an older industrial area to higher intensity transit-oriented district with housing, office, retail, restaurants, hotels, and parks. The Plan will add approximately 7,100 units of high density housing to support the large public investment in transit facilities. Shortly after the adoption of the TASP, the City also established a Transit Area Development Impact Fee and a Community Facilities District in the Transit Area to provide a mechanism to finance the infrastructure needed for development and to mitigate the fiscal impact of high density residential developments on public services. Initially, many development projects were on hold due to the economic recession and soft housing market. Recently, there is renewed interest in housing development in the Transit Area. These development activities will be further discussed in the "Major Development Activities in the City" section.

One of the best business retention strategies that the City embarked upon in recent years was to provide expedited building plan check and inspection services. As an example, the City was able to retain SanDisk and KLA-Tencor in Milpitas when these two companies sought to expand and relocate their corporate offices and research and development buildings. Both companies whose headquarters are located in Milpitas chose to stay in the City because of the City's service delivery that enabled these companies to expand their corporate campuses expeditiously. Due to the BART extension project and increased development activities that demand plan check and building inspection services, six more positions (3 full time and 3 temporary) are funded in the Building and Safety Department budget next year. It should be noted the costs for funding all the

positions will be recovered through private job development revenues and reimbursements from the Valley Transportation Authority (“VTA”) that manages the BART extension project. Other staffing changes will be discussed in the Budget Highlight section.

## **BUDGET HIGHLIGHT**

In FY 12-13, local economy has finally emerged from the most unprecedented and prolonged economic recession in recent history. The City experienced increases in sales tax revenue, Transient Occupancy tax (“TOT”), and plan checks and building inspection fees. The revenue projection for next year is conservative but realistic due to uncertainties on how strong and how long the recovery will last. Prior to the residual distributions from the RPTTF, the General Fund budget deficit has been reduced to \$1.5 million in FY 13-14. Excluding operating transfers between funds and the RPTTF distributions, staff projected that the General Fund revenues will increase about \$4.9 million or 8.8%, compared to the FY 12-13 original revenue projection but will be approximately \$1.1 million or 1.8% above the FY 12-13 revised revenue projection. The General Fund budget appropriations for FY 13-14 is \$65.4 million, approximately \$3.8 million higher than FY 12-13 original budget. The increase is primarily due to increased employer’s pension contribution and medical costs, a partial restoration of employee concession equivalent to about 2% to 3% of salary, and increased funding for more temporary employees.

With the addition of two Public Works Manager positions in FY 12-13 and the proposed deletion of three vacant unfunded positions in the City Clerk’s office, the City has 455 authorized positions. However, due to attritions, layoffs, and reorganization, only 312.5 positions were funded in FY 12-13. In the FY 13-14 budget, the net full time equivalent positions (“FTEs”) are 312.25. Additional positions are funded in the Public Works & Engineering, and the Building & Safety departments due to a high level of development activities and the BART extension project that require additional staff resources to perform and support plan check and building inspection services. Fire Department reduced four funded positions due to temporary shut down of one engine. The FY 13-14 budget also adds \$646,000 funding for 7 temporary employees. A majority of the temporary staff resources are added to perform development related activities. All of the positions added in the Building and Safety and Engineering departments will either generate private job development revenues or be reimbursed by VTA for the BART extension project.

The FY 13-14 Operating and Capital Budgets were prioritized to maintain core services, ensuring these services are delivered in the most cost effective and beneficial manner to the community and capital improvement projects are prioritized to those that are most necessary. Staff believes these priorities reflect the City Council’s policy direction. Some significant highlights from the budget are described below:

- Include the use of \$1.5 million RDA property tax revenue redistribution to close the General Fund budget gap.
- Balance the General Fund budget without using any reserves.
- Improve service delivery by prioritizing funded positions in the Building & Safety and Public Works & Engineering Department primarily to assist with the high volume of development activities in the Transit Area, BART extension as well as capital improvement projects.
- Careful evaluation of infrastructure and programming needs in the Five-year Capital Improvement Program to fund and deliver the Council’s highest priority projects. Several important projects are proposed to be funded next year. The Street Pavement project will improve the attractiveness of the residential areas in addition to maintaining traffic and conditions of major roadways. The Transit Area recycled water line extension is needed

to enable the irrigation of streetscape and onsite common area landscape in the Transit Area. The project will be funded by the Transit Area impact fee. The Capital Improvement budget for FY 13-14 includes funding for rehabilitation of the San Jose/Santa Clara Waste Water Facility. The City of Milpitas pumps its sewage to the San Jose/Santa Clara Regional Waste Water Facility for waste water treatment before it can be discharged into the San Francisco Bay. As a participating member, the City shares the operating and capital improvement costs of the Facility based on its capacity right. Due to the age of the Facility, a rehabilitation project to overhaul the Facility is vital in order to maintain the sewer infrastructure. Staff also proposes to use Park fund to renovate the Pinewood Park as well as to provide ADA improvements in various parks in accordance with the Park Master Plan. The proposed funding for these various projects amount to \$18.9 million next year.

- Revise the fiscal policy to increase the funding available for General Government projects. It is estimated that the City will have approximately \$8.3 million accumulated from the RDA property tax redistributions by the end of FY 12-13. The fiscal policy will allow the City council to direct distributions to date and any future distributions from the RPTTF for capital improvement project funding purposes.
- Continue to monitor fee adjustments and fee structure to ensure that customer service revenues keep up with costs. Staff is currently analyzing several departments' fees in relation to costs. If merited, staff will bring these fee adjustments to the City Council for approval in FY 13-14.
- Continue to work closely with the VTA to extend the BART system from the Warm Springs Station in Fremont, through the Milpitas station to the Berryessa Station in San Jose.
- Develop and deliver a Citywide Strategic Plan. The goals are to review and redefine City's missions and values and to develop consistent goals and strategies that will guide the departments' workplans.

## **BUDGET OVERVIEW**

The total Proposed Budget for FY 2013-14 is \$114,428,775. This is a 8.8% increase from the FY 2012-13 Adopted Budget. Excluding the City's FY 13-14 Capital Improvement Budget, the total operating budget is \$95,533,825, a 3.1% increase from last year. The total annual budget includes the City's Water and Sewer Utility enterprise budgets of \$18,091,619 and \$15,811,796 respectively. It also includes the Housing Authority's budget of \$878,990. The total annual budget for capital improvements for FY 13-14 is \$18,894,950. A separate CIP budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year as well as profiling anticipated community needs over the subsequent four years. A summary of each project description and funding requirement can be found on pages 197 through 207 of this document.

The General Fund budget is \$65,412,939, an increase of 6.2% compared to FY 2012-13. Salaries and Benefits show an increase of 6.4% or \$3.2 million from last year due to increase in employer pension costs, medical premium costs and additional funding of temporary positions as described in the Budget Highlight section. Most of the positions added will either generate more private job development revenues or be reimbursed by the VTA for the BART extension project. The anticipated increase of medical insurance premium is 8% in January 2014. The employer's contribution percentages to the California Public Employee Retirement System ("CalPERS") pension plans for FY 13-14 are 21.115% and 32.931% of payroll for the Miscellaneous Employees group and Public Safety Employees group respectively. It should be noted that as a result of negotiation and employees' concession, various employee groups contributed toward

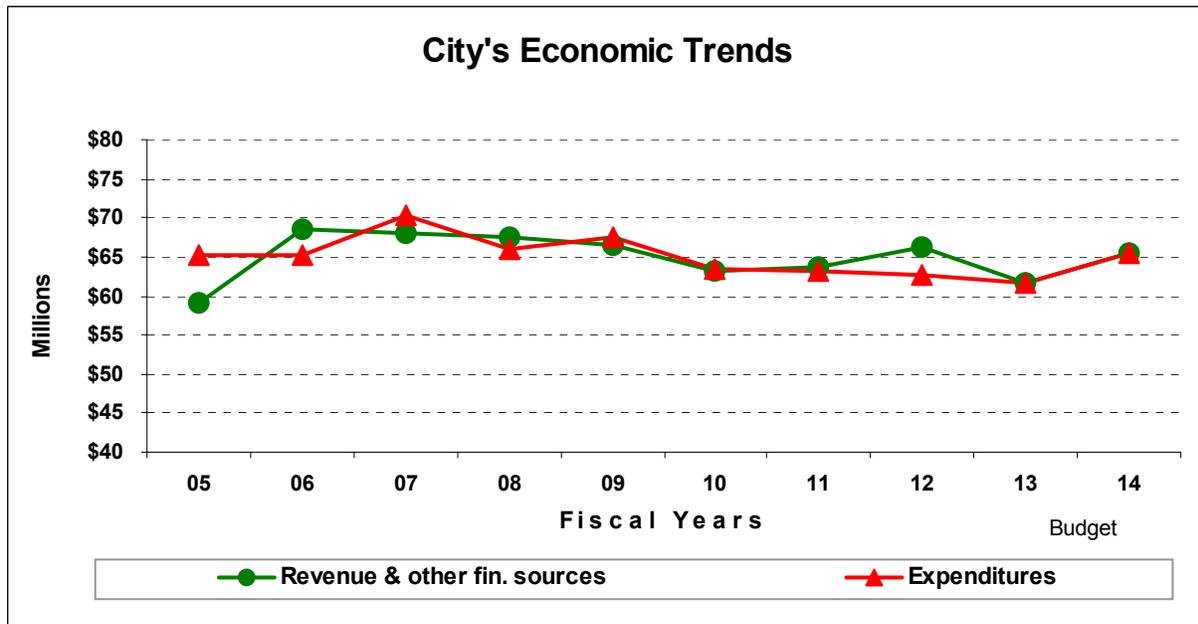
**Letter of Transmittal**

CalPERS for the employer's portion that ranges from 7% to 15.4% of payroll. In FY 13-14, the portion that the employees contribute on behalf of employer has been reduced by 2.5% for the ProTech and Midmanagement employee groups. The non personnel budget for the General Fund in FY 13-14 increased 5.3% or \$645,000 compared to the FY 12-13 Adopted Budget. The increase is due to increased contractual services, increased budget for Fire protective equipment and increased equipment amortization.

The Water utility fund budget is \$18,091,619, a decrease of \$282,000 from last year due to a combination of operating cost increase of \$1.1 million and decreased funding for capital improvement project costs of \$1.4 million. The increase in operating cost is primarily due to increased water purchase costs from outside agencies. The proposed capital improvement costs for water projects is \$1.4 million in FY 13-14.

The Sewer utility fund budget is \$15,811,796, a decrease of \$2.06 million from last year due to a combination of operating cost decrease of \$3 million and \$950,000 funding increase for capital improvement project costs. The City of Milpitas is a participating member of the San Jose/Santa Clara Waste Water Facility and pays its share of the operating and capital improvement costs to the lead agency, City of San Jose, based on Milpitas' share of the capacity right. In the past, the City budgeted its share of the capital improvement costs for the Facility as operating costs because the construction of those projects are not performed by the City. Beginning in FY 13-14, the City budgets these costs as capital improvement costs because the City typically capitalizes and depreciates these costs in its annual financial statement. Consequently, there is a shift between operating costs and capital improvement costs in the FY 13-14 budget.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 04-05 through FY 11-12, along with the budget projections for FY 12-13 and FY13-14.



## **Economic Trends, Development and Profile**

Milpitas is situated within the Silicon Valley region, known throughout the world as the home of high technology, innovation and research. Milpitas, considered the “Crossroads of Silicon Valley,” with most of its 13.6 square miles of land situated between two major freeways, I-680 and I-880, has experienced tremendous growth since its incorporation in 1954. Over the past 40 years, the population growth has increased from 26,561 in 1970 to 66,790 in 2010 (latest census). The Bay Area experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000 jobs were lost as a result of the dot-com bust. Between 2005 and 2007, local economy began to recover slowly until 2008 when the economy went into global recession due to subprime mortgages, plummeting home sales and meltdown of the financial market. This region is severely impacted due to concentration of the high-tech industry, heavy reliance on exports, decline of home prices, and reduced consumer spending. Milpitas is similarly impacted because of its location and comparable economic mix. The following section entitled “Major Development Activities in the City” will discuss some of the development activities that are occurring in Milpitas.

There are approximately 1,380 acres or 2.6 square miles of land area in the City limits designated for various industrial uses; about 271 acres are vacant and available in parcels ranging in size from ½ acre to 75 acres. Included in this acreage total are eight industrial parks and 550 manufacturing plants. An estimated 410 acres of land are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.

The leading economic segments in sales tax are apparel stores, office equipment, restaurants and electronic equipment. The five largest manufacturing employers are Cisco Systems, Inc., KLA-Tencor Corporation, Flextronics, LSI Logic Corporation and SanDisk Corporation. Several of these top employers including SanDisk Corporation and Linear Technology make Milpitas their corporate headquarters. The two largest non-manufacturing employers in Milpitas are The Great Mall of the Bay Area and the Milpitas Unified School District.

### **Major Development Activities in the City**

*Midtown Specific Plan* – The vision for this area includes high density housing within walking distance to light rail and BART to support the public investment in mass transit, transforming neighborhoods into an attractive and economically vital district with plazas and network of pedestrian and bicycle trails, a vibrant streetscape along the north end of Main Street and a mixture of housing, shopping, employment, entertainment, and cultural and recreational opportunities. The implementation efforts began with several capital improvement projects such as the new Library, parking garage, Main Street and Abel Street infrastructure improvements. Other development activities undertaken by outside agencies include a County Health Center and a parking garage and a 103-unit senior housing apartment building. Major residential development includes completion of Centria West project in December 2012 for 366 condominium dwelling units. Other development in process includes 203 housing units developed by Shea Homes.

*Transit Area Specific Plan* – The City adopted a Transit Area Specific Plan in June 2008 which provides for medium to high density development surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major

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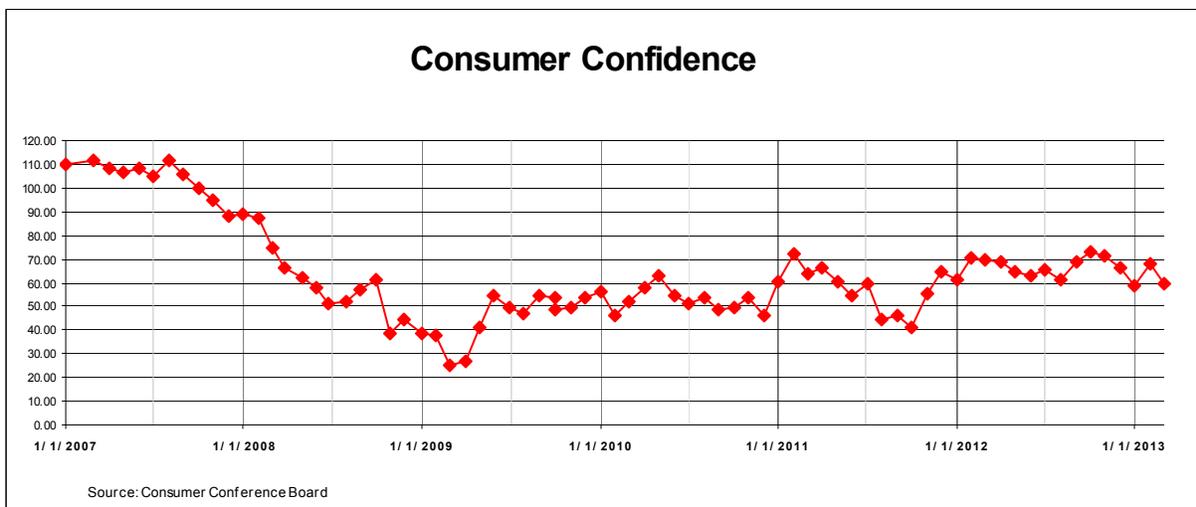
retailers and provide housing and amenities such as parks, retail and restaurants. Current development activities include a 276 units single family attached homes and condo project and a mixed-use commercial and high density residential project that will be constructed in phases. Other residential development includes 732 housing units developed by Citation Homes that is still in the planning stage.

*Residential Development* – Although residential development activities in this region were impacted by the soft housing market in the last few years, there is a renewed interest in residential developments recently. Outside of the Midtown and Transit Area, there are several residential developments that are either under construction or completed and occupied. These projects include Cerrano (374 apartment units), Murphy Ranch Townhomes (285 townhomes), Robson Homes (83 units) and Sinclair Renaissance (80 single family detached units).

*Non-residential Development* – Major commercial construction includes relocation of SanDisk to a new campus within Milpitas, addition of a clean room for KLA-Tencor, and expansion of Solexel's facility. Temporary building permits were issued to ELO Touch, a touch screen manufacturer for the construction of a new facility in Milpitas.

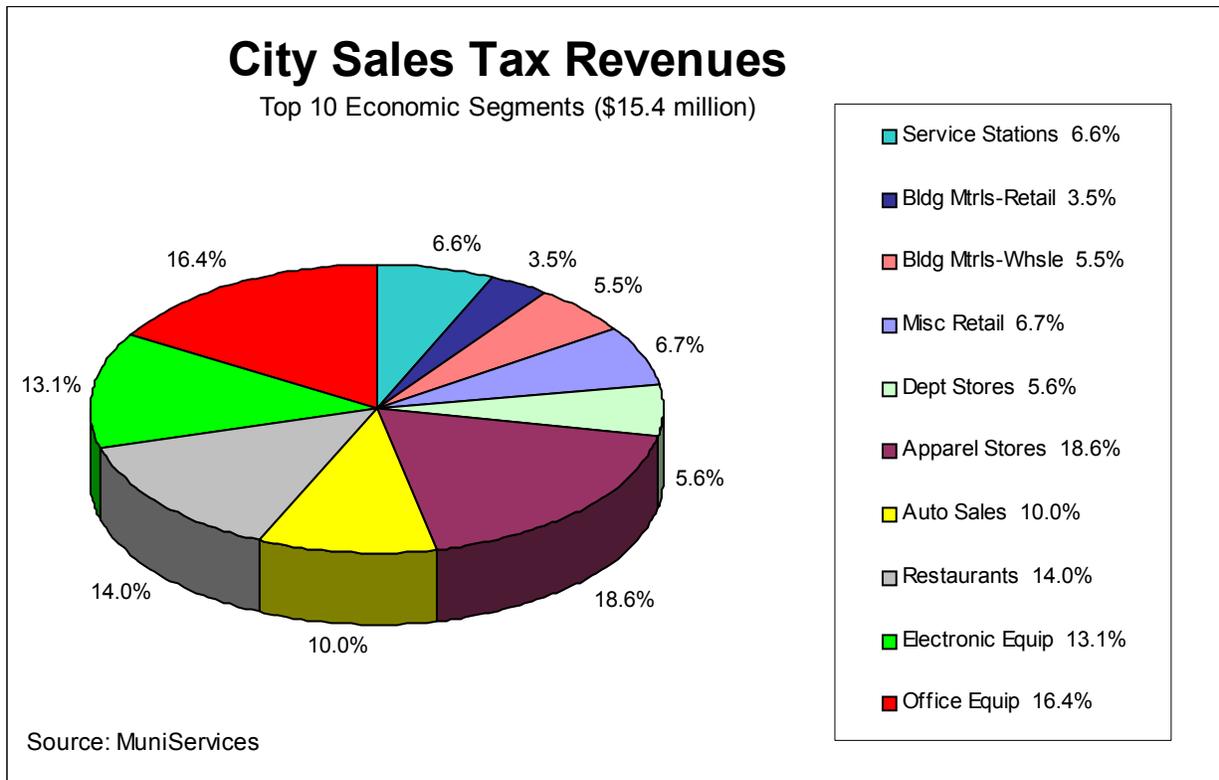
## Consumer Confidence Level

The latest consumer confidence survey report showed that despite improvement in the unemployment rate, the index decreased in March 2013 and fluctuated sideways in the last 12 months. The recent sequester has created uncertainty in the economic outlook and as a result, consumers are less confident. Consumers' assessment of the labor market was mixed and are once again pessimistic about the short-term economic outlook.



Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City’s sales tax revenue by economic segment in the last four quarters. Total amount of sales tax revenue for the latest benchmark year was about \$17.6 million, with the top ten economic segments generated about \$15.4 million. Economic segments such as apparel stores, auto sales, office equipment, electronic equipment and restaurants increased over a year ago. The sales tax generated from all these economic segments was the highest that it has been in the last eight quarters.



## REVENUES AND OTHER FINANCING SOURCES

Revenue detail is shown in the Financial Information section of the budget. A summary of revenues and other financing sources including transfers between funds is shown below to compare the FY 12-13 Adopted Budget and the FY 13-14 Adopted Budget.

<u>Fund</u>	<u>Adopted Budget FY 12-13</u>	<u>Adopted Budget FY 13-14</u>	<u>Over (Under) Prior Year</u>
General	\$ 61,612,265	\$ 65,412,939	\$ 3,800,674
Measure I TOT	90,000	97,840	7,840
Housing Authority	516,000	878,990	362,990
Special Revenue	3,502,657	4,140,641	637,984
Capital Project	3,168,400	9,994,950	6,826,550
Water	18,373,380	18,091,619	(281,761)
Sewer	17,880,148	15,811,796	(2,068,352)
<b>Total</b>	<b>\$105,142,850</b>	<b>\$114,428,775</b>	<b>\$ 9,285,925</b>

### Revenue Estimates for Fiscal Year 2013-14

Compared to the FY 12-13 budget, FY 13-14 revenue and other financing sources that include the use of fund balances are estimated to increase by \$9.3 million principally due to increased General Fund revenue and used of CIP Fund balances to increase funding for capital improvement projects.

In FY 13-14, General Fund revenue and other financing sources are projected to be \$65.4 million, approximately \$3.8 million more than last year's budget of \$61.6 million. The assumptions for projection and analysis of the major revenue sources are discussed below.

**General Fund Revenue Estimates**

Below is a comparison between the FY12-13 adopted budget, FY12-13 revised budget, and FY13-14 adopted budget.

<u>Revenue</u>	(in thousands)				
	<u>Adopted Budget FY 12-13</u>	<u>Revised Budget FY 12-13</u>	<u>Adopted Budget FY 13-14</u>	<u>% change FY13-14 to FY12-13 Adopted Budget</u>	<u>% change FY13-14 to FY12-13 Revised Budget</u>
Property Tax	\$ 16,471	\$16,464	\$16,826	2.2%	2.2%
RPTTF distributions	1,188	3,392	2,377	100.1%	(29.9%)
Sale & Use Tax	19,230	20,507	20,913	8.8%	2.0%
Hotel/Motel Tax	5,575	5,960	6,093	9.3%	2.2%
Other Taxes	3,725	3,988	4,000	7.4%	0.3%
Permit & Inspection	3,938	5,100	5,253	33.4%	3.0%
Fines & Forfeitures	635	479	486	(23.5%)	1.5%
Interest Income	127	189	145	14.2%	(23.3%)
Intergovernmental	655	998	979	49.5%	(1.9%)
Charges for Services	4,866	5,303	5,466	12.3%	3.1%
Other Revenue	159	201	104	(34.6%)	(48.3%)
Operating Transfers	5,043	3,737	2,770	(45.1%)	(25.8%)
<b>Total</b>	<b>\$61,612</b>	<b>\$66,318</b>	<b>\$65,412</b>	<b>6.2%</b>	<b>(1.4%)</b>

FY 13-14 General Fund revenues and other financing sources is projected to increase by 6.2% or \$3.8 million more than the FY 12-13 adopted budget revenue. When compared to the FY 12-13 revised revenue projection, it is an estimated 1.4% or \$906,000 decrease. Some of the changes include the following:

Sales tax revenues for FY 12-13 are revised to be more than budget by 6.6% or \$1.28 million. In addition to increased sales in general retail and auto sales, there is an overall recovery in all other economic categories such as business to business and construction. Staff's assumption for FY 13-14 sales tax revenue is a 2% increase from the FY 12-13 revised estimate. After a significant increase of 6.6% over budget in FY 12-13, the projection for FY 13-14 is modest and is consistent with the projection of the City's sales tax consultant.

Permit and Inspection revenue for FY 12-13 is estimated to be \$1.16 million more than budget due to increased development activities in the Transit Area. In FY 13-14, building permit and inspection revenues are projected to be \$5.25 million, a 3% increase from the FY 12-13 revised revenue. It is anticipated that residential developments will continue at a very high level. The projection is based on the number of recent applications submitted and the potential commencement dates of the construction. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.

Property tax revenues are estimated to increase by 2.2% in FY 13-14 from the FY 12-13 revised revenue. The increase is partially attributed to the inflation adjustment allowed by Proposition 13 at the lower of 2% or California Consumer Price Index and partially due to improvement in the

housing market thus adding to the assessed valuation of the secured properties. The projection is consistent with the assessed valuation information provided by the County of Santa Clara Assessor's office. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining RDA property tax revenue after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. The City is one of the taxing entities that will receive its estimated share of approximately \$2.4 million in FY 13-14. In FY 12-13, the residual distributions were \$2.4 million but the City also received a one-time distribution of \$1 million due to remittance of RDA Housing Fund unencumbered cash to the County for distribution to the taxing entities, pursuant to the law.

Hotel/motel Transient Occupancy Tax revenue is projected to increase \$518,000 or 9.3% from the FY 12-13 budget but is only a 2.2% increase from the FY 12-13 revised projection of \$5.96 million. The hotel industry in the local area has been depressed for the last few years. It has finally stabilized and began to recover in FY 10-11 and it is anticipated that FY 13-14 will continue with a modest increase.

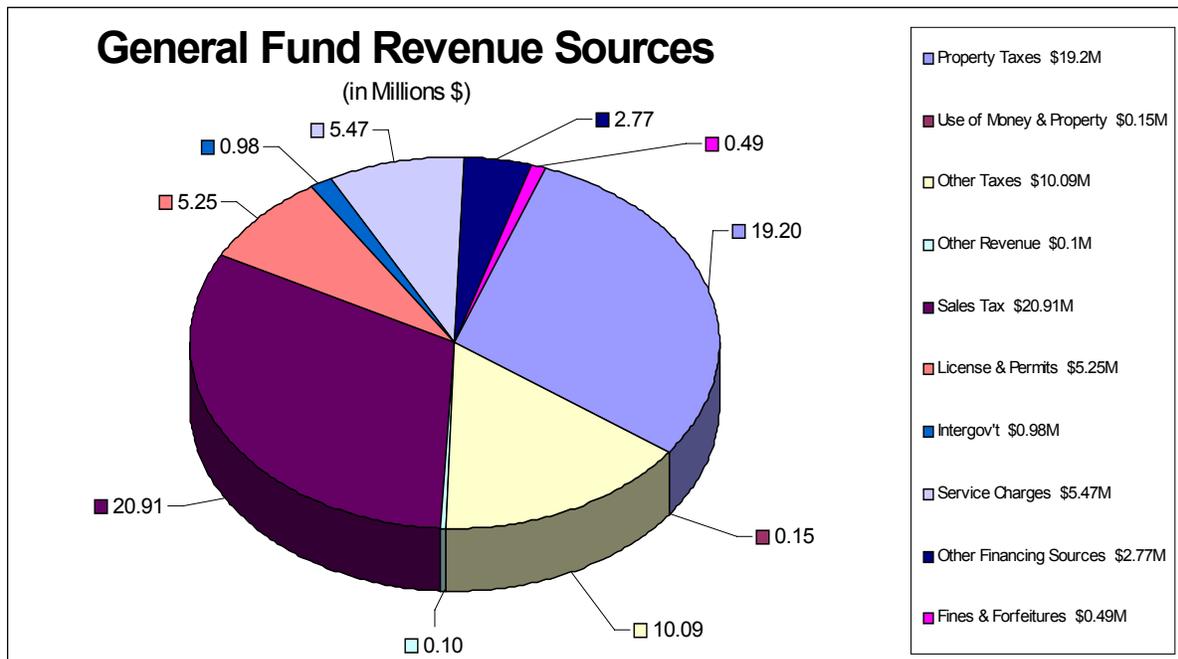
Interest income is anticipated to decrease by \$44,000 compared to the FY 12-13 revised budget, primarily due to lower investment earnings from the pooled portfolio attributable to lower reinvestment yield. Projected interest income for FY 13-14 is approximately \$145,000 for the General Fund. It is assumed that the reinvestment yield for matured securities will be at 0.4%. Investment earnings are allocated to the various funds based on their projected cash balances.

Operating transfers are internal transfers between funds primarily to allocate operating costs and capital budget contributions from one fund to another. The net operating transfers in to the General Fund is \$2.8 million, comprised of \$3.7 million operating transfers in from the Water and Sewer utility funds for operating cost reimbursements and \$890,000 operating transfers out to the General Government Capital Improvement Fund.

Cost Allocation A cost allocation worksheet is utilized to allocate central service costs that are typically budgeted in the General Fund to various programs and funds in order to determine the full cost of providing City services. In 2007, the City conducted an updated Cost Allocation Plan to calculate the percentage of costs that should be allocated to each major program and major operating fund. The City continues to apply the results from the Plan to the FY 13-14 budget.

For each City service or program, in addition to direct costs such as staff time, supplies and contractual services, it also receives support from the administrative staff and benefited from centralized services such as building occupancy and equipment maintenance. These indirect costs need to be allocated to each major service or program in order to determine the full cost of providing City services. Using the same rationale, the Cost Allocation Study also computed the percentage of indirect costs that should be assigned to other operating funds such as Water and Sewer utility funds. These indirect costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds shares the administrative and overhead costs equitably. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 13-14 can be found on pages 108 to 109.

The chart below provides an overview of the City's General Fund revenue sources including operating transfers from other funds.



**Utility Rates**

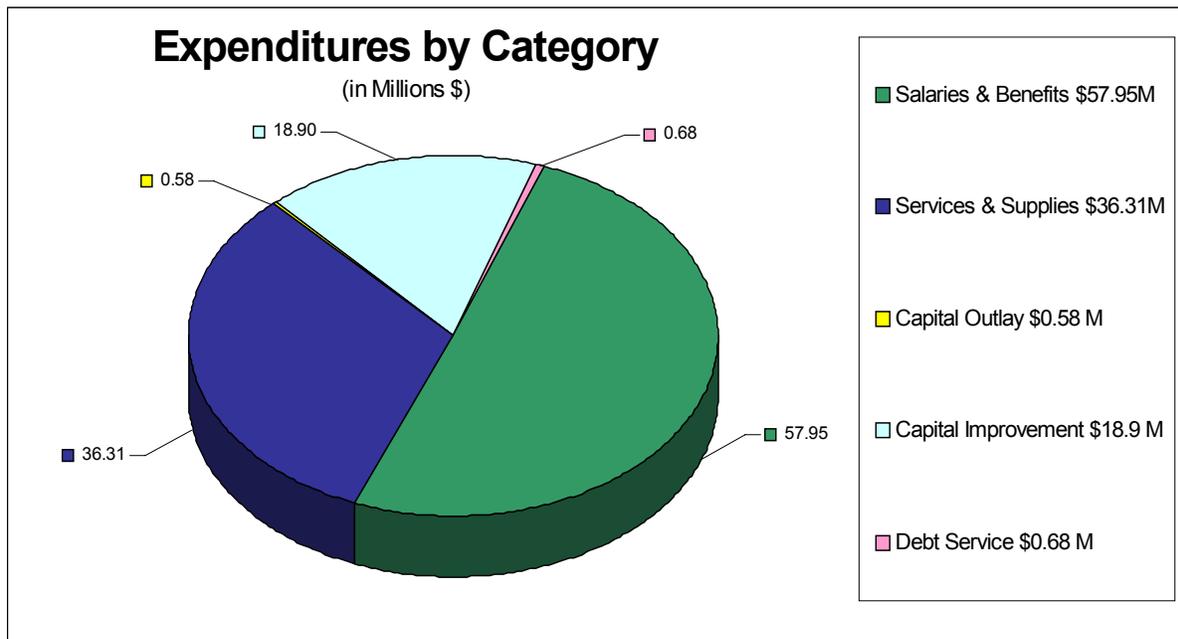
Utility rate increases are approved for the Water operation for FY 13-14. The increase for water rates ranges from 2% to 14% depending on the classification of customers, tier and consumption. The water rate increase is incorporated in the FY 13-14 Proposed Budget. For sewer utility ratepayers, the volumetric sewer rates remain unchanged from FY 2011-12, and the non-residential sewer fixed rate is also unchanged. In FY 13-14, approximately 65% or \$12.9 million of the water fund budget and 71% or \$12.4 million of the sewer fund budget are attributed to outside agencies' costs that need to be passed through to the utility ratepayers. These costs include wholesale water cost from the Santa Clara Valley Water District and the San Francisco Public Utility Commission which are projected to increase an average of 8%. City's Water operation cost and capital improvement project cost are approximately \$5.4 million and \$2.4 million respectively. However, \$1 million of the Water project cost will be funded by Transit Area impact fee. The San Jose/Santa Clara Water Pollution Control Plant's operation and capital improvement project costs are passed through to the sewer utility ratepayers. City's Sewer operation cost is approximately \$5 million. The Sewer budget also includes a debt service cost of \$684,000.

**EXPENDITURES**

A budget comparison of appropriations for all funds between FY 12-13 (Adopted Budget) and FY 13-14 (Adopted Budget) is as follows:

<u>Appropriations</u>	<u>Adopted Budget FY 12-13</u>	<u>Adopted Budget FY 13-14</u>	<u>Over (Under) Prior Year</u>
Salaries & Benefits	\$ 54,042,790	\$ 57,952,007	\$ 3,909,217
Services & Supplies	37,538,195	36,314,724	(1,223,471)
Capital Outlay	388,865	583,094	194,229
<b>Subtotal</b>	<b>\$ 91,969,850</b>	<b>\$ 94,849,825</b>	<b>\$2,879,975</b>
Capital Improvement	12,485,000	18,894,950	6,409,950
Debt Service	688,000	684,000	(4,000)
<b>Total Appropriations</b>	<b>\$ 105,142,850</b>	<b>\$ 114,428,775</b>	<b>\$ 9,285,925</b>

The chart below provides an overview of the City’s total expenditures by category:



Total expenditures represent an overall 8.8% increase from FY 12-13. Operating expenditures, excluding capital improvement and debt service, increased by 3.1% compared to last year. Following is a summary of the changes in operating expenditures by category:

**Salaries and benefits are expected to increase by 7.2%.** Compared to last fiscal year's budget, the total citywide increase is \$3.9 million. The increase reflects increased employer's contribution to CalPERS, increased health insurance premiums and increased funding for previously unfunded positions. The employer CalPERS contribution percentages for FY 13-14 for Miscellaneous Employees group and Public Safety Employees group are at 21.115% and 32.931% of payroll respectively. In addition, the FY 13-14 budget includes pre-funding of retiree medical benefits in the amount of \$3.2 million citywide and the General Fund's share is \$2.8 million.

The City's services will be staffed by 312.25 full time employees and 59 temporary/seasonal employees. The historical number of authorized positions and funded positions can be found on pages 58 and 59 of this document. The detail for each department's funded positions can be found in their respective sections on pages 117 through 191.

**Services and supplies are expected to decrease by \$1.22 million or 3.3% citywide.** The services and supplies budget include services that are provided by outside parties. The decrease is due to reclassification of capital contribution cost to the San Jose/Santa Clara Waste Water Facility as capital improvement instead of services and supplies in FY 13-14.

**Capital Outlay** includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 13-14 is \$583,000 which includes the funding of seven police vehicles, one pickup truck to be used for utility meter reading, and replacement of an artificial Christmas tree. All the vehicles to be replaced are fully depreciated and will be primarily funded by the Equipment Replacement Fund. Other capital outlay include replacement of technology equipment, hydrants and water meters.

**Debt Service** in FY 13-14 is budgeted at \$684,000 for the only outstanding bond of the City, the 2006 Certificates of Participation ("COPS"). The RDA debt is administered by the Successor Agency which is overseen by an outside oversight board. Consequently, the RDA debt services is no longer part of the City's budget.

The City's legal bonded debt limit, as established by the California Government Code, is approximately \$431 million. The 2006 Certificates of Participation ("COPS") has an outstanding balance of \$7,315,000 and the 2003 Tax Allocation Bonds has an outstanding balance of \$157,935,000. None of these bonded debts is subject to the legal debt limit although the payment of the 2003 Tax Allocation Bonds is no longer part of the City's budget. The interest rates on the outstanding COPS range from 3.5% to 4.2% and the final payments will occur in fiscal year 2027.

The City's debt policy includes a comprehensive, thorough review and analysis of the City's long-term capital project needs. Once project needs are established and prioritized, funding options are reviewed. Depending on the funding requirements and available reserves, either existing reserves are used or tax-exempt securities are issued. The City will utilize debt financing for capital improvement only when the useful life of the improvement is expected to exceed the period of debt service payments.

Pursuant to its debt covenant, the 2006 COPs are required to maintain annual net revenue sufficient to provide debt service coverage of 115%. The actual debt service coverage based on the FY 11-12 audited results was at 1074%.

The following table shows the annual debt service requirements for the outstanding Certificates of Participation:

<u>Year Ending, June 30</u>	<u>Sewer Fund</u>	
	<u>Total Principal</u>	<u>Total Interest</u>
2014	\$ 405,000	\$ 278,965
2015	420,000	264,527
2016	435,000	249,348
2017	450,000	233,192
2018	470,000	216,055
2019-2023	2,625,000	789,599
2024-2027	2,510,000	215,103
<b>Total</b>	<b>\$7,315,000</b>	<b>\$2,246,789</b>

## CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 13-14 by Project Category is as follows:

<u>Project Category</u>	<u>Adopted Budget</u>	<u>Percentage of Total</u>
Community Improvements	\$ 1,400,000	7.41%
Park Improvements	2,100,000	11.11%
Street Improvements	5,494,950	29.08%
Water improvements	2,400,000	12.71%
Sewer Improvements	7,500,000	39.69%
<b>Total</b>	<b>\$18,894,950</b>	<b>100.00%</b>

The City includes the cost of all acquisition, construction, expansion or rehabilitation of the City's physical plant and facilities in the Capital Improvement Budget. Typically, a capital improvement project exceeds \$10,000 and may take more than one year to construct. The cost of the capital project is capitalized as capital assets of the City upon completion. The total FY 13-14 Capital Improvement Program funding is \$6.41 million more than the FY 12-13 CIP, primarily due to the increased funding for the San Jose/Santa Clara Waste Water Facility rehabilitation project in the amount of \$7.5 million. As a participating member, the City contributes its share of capital improvement cost based on its capacity right. Aside from the Waste Water Facility improvement, the focus of FY 13-14 capital improvement program is on replacement and resurfacing of streets, Pinewood Park renovation and other park improvements, and water pipeline extension projects. Funding of \$5.49 million for street improvement projects includes \$2.6 million for street resurfacing and \$2 million for road rehabilitation. The FY 13-14 Capital Improvement program

also includes \$1.65 million funding for Pinewood Park renovation and \$1.85 million for water pipeline replacement and extension. To maintain City's building, the FY 13-14 budget also includes \$1.4 million for facility improvement.

The funding for FY 13-14 capital improvement projects is primarily from the fund balances of various funds such as park fund and utility funds. Approximately 27% of the funding comes from outside sources such as grants, developer fees, gas tax revenue and Transit Area impact fee.

The Capital Improvement Budget has been reviewed by the Planning Commission to determine its conformance with the City's General Plan. Park improvement projects for FY 13-14 were also reviewed by the Parks, Recreation and Cultural Resources Commission.

Although cost savings is one of the considerations in implementing the capital improvement program, many projects are prioritized for reasons such as health and safety for the public, replacement of deteriorated capital assets or systems, or enhancement of economic development and quality of life for the citizens. There will not be significant cost savings from replacement of aging infrastructure or parks. However, these projects will also not increase operating costs upon completion.

The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 13-14. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2013-2018 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or at the City's website.

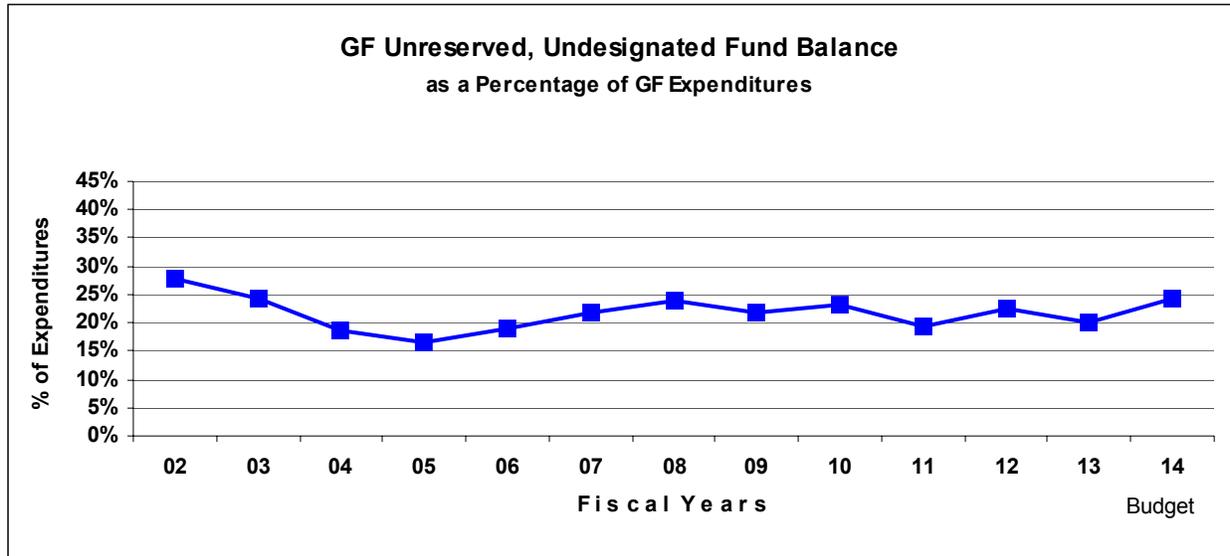
## **FUND BALANCES**

An important resource for a City is the fund balance or reserve that is available for future appropriations and unexpected emergencies. A summary of the revenue, expenditures, transfers, and fund balances is shown in the Financial Information section of the Budget. It is anticipated that the Housing Authority will use \$873,000 of the fund balance to pay for its program cost in FY 13-14. Sewer utility fund will need \$4.8 million of its reserve to pay for its share of capital improvement costs to the San Jose/Santa Clara Waste Water Facility while the the capital improvement funds will use their fund balances to fund several major street and park projects. There are no significant changes to the fund balances of the General Fund and other funds.

The fund balances are further divided into subcategories to indicate the portion that is nonspendable, restricted, committed, assigned and unassigned based on a hierarchy of constraint. Nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance classification includes amounts that are restricted because they are externally imposed by creditors, grantors, or laws or regulations of other governments. Committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council. Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Unassigned fund balance represents amount that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The projected percentage of the estimated unassigned fund balance for the General Fund is 24.2% which meets the Council's policy of maintaining a minimum unassigned fund balance at 15% of the General Fund budget appropriations. It is also projected that \$5.4 million committed fund balance for the PERS Rate Stabilization will remain at the end of FY 13-14.

The chart below provides a historical perspective of the City's General Fund unassigned fund balance as a percentage of General Fund expenditures



**ACKNOWLEDGEMENTS**

We want to thank the Mayor and City Council for their guidance and integrity in directing the financial affairs of the City in a most responsible and progressive manner. We also extend our appreciation to the Finance Department staff who worked on the budget, along with all the Division/Department Heads and the Budget Liaisons for their hard work, assistance, and cooperation in preparing this Budget.

The overall budget envisions an operating program that carefully considers the general economic climate in conjunction with the many progressive projects and programs the City will be providing to the citizens of Milpitas. The Budget establishes the projected resources to pay for all approved appropriations. The City Council have guided the City of Milpitas to a very stable financial position that enables the City to undertake new capital improvement projects while maintaining its high level of core services for all Milpitas citizens, even during difficult economic situations. The City Council's approval of the FY 13-14 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,

  
Thomas C. Williams  
City Manager

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## Five Year General Fund Forecast

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The Five-year General Fund Forecast is included to allow the Council and the community to assess the sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years.

### Five Year General Fund Forecast (in thousands)

	<b>FY14-15</b>	<b>FY15-16</b>	<b>FY16-17</b>	<b>FY17-18</b>	<b>FY18-19</b>
<b>Estimated Revenue</b>					
Property Tax	17,454	18,105	18,782	19,398	20,033
Sales & Use Tax	21,708	22,533	23,389	24,161	24,958
Other Taxes	4,123	4,249	4,372	4,483	4,595
Hotel/Motel Tax	6,259	6,434	6,611	6,760	6,911
License & Permits	5,434	5,618	5,731	5,842	5,960
Charges for Services	5,641	5,816	5,961	6,110	6,252
Other Revenues	1,679	1,643	1,607	1,261	1,275
Operating Transfers	3,315	3,399	3,491	3,553	3,645
Total Estimated Revenues and Other Financing Sources	<u>65,613</u>	<u>67,797</u>	<u>69,944</u>	<u>71,568</u>	<u>73,629</u>
<b>Estimated Expenditures</b>					
Salaries	34,448	35,137	35,839	36,188	36,913
Benefits	20,345	21,026	21,678	22,295	22,936
Supplies & Contractual Services	13,348	13,553	13,917	14,135	14,508
Total Estimated Expenditures	<u>68,141</u>	<u>69,716</u>	<u>71,434</u>	<u>72,618</u>	<u>74,357</u>
<b>Net Operating Deficit</b>	<b>(2,528)</b>	<b>(1,919)</b>	<b>(1,490)</b>	<b>(1,050)</b>	<b>(728)</b>

Property tax revenues are expected to increase 3.7% in FY 14-15 through FY 16-17, 3.3% in FY 17-18 and FY 18-19. The projection does not include the RDA property tax redistributions as the assumption is that these revenues will be directed to fund capital improvement projects. Proposition 13 allows the annual assessed value to increase by the lesser of 2% or the California consumer price index. Staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at least 2% in each of the next five years. Due to the housing market recovery, staff projected that a 1.3% increase from new construction housing units in each of the next five years as well as a 0.5% restoration of appraised value for existing residential properties in FY14-15 through FY16-17.

Sales tax revenues are projected to increase 3.8% in FY 14-15 through FY 16-17, and 3.3% in FY 17-18 and FY 18-19. Staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at 2.75% in FY14-15 through FY16-17, and 2.25% in FY17-18 and FY18-19. The increase of 3.8% in FY 13-14 through FY 16-17 reflects a moderate economic recovery that triggered a renewed interest in residential developments in Milpitas. The number of residents will increase with the addition of new housing units. It is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail, auto and restaurant economic segments. Consumer sales accounts for 70% of the sale tax revenue in Milpitas. Staff estimated population will increase 2.5% in each of the next five years and the City will capture at least 60% of the consumers generated sales tax revenue.

## Five Year General Fund Forecast

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Other Taxes include real estate transfer tax, franchise tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax and franchise tax from utility and cable companies. It is also assumed that utility and cable companies will increase their rates to offset cost increases. The projection is a modest increase of 3.1% in FY 14-15 and FY15-16, 2.9% increase in FY 16-17, and 2.5% in FY 17-18 and FY18-19.

Hotel tax revenues are projected to increase 2.75% in FY 14-15 through FY16-17, and then 2.25% in FY17-18 and FY18-19. The projection is in consistent with staff's assumption of the California consumer price index in the San Francisco/San Jose metropolitan area. It is assumed that the hotel operators will increase room price by the average consumer price index to recover costs.

License and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues will continue to increase in the next few years due to a renewed interest in residential developments. It is projected that the Transit Area will add about 3,000 housing units. Consequently, staff projected a higher growth level at 3.5% in FY 14-15, 3.4% in F15-16, and 2% in FY 16-17 through FY 18-19.

Charges for Services include charges for private development related services, engineering fees and recreation service charges. It is anticipated that the increases in charges to developers will be similar to the increases for license and permits. The projection for non-development related charges includes two elements, population growth and California consumer price index. Staff projected that some of the new residents will utilize City's recreation services. The combined projection for development related and non-development related customer service charges is a 3% increase in FY 14-15 and FY 15-16, 2.5% in FY 16-17 and FY17-18, and tapering off to 2.3% increase in FY 18-19.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by the General Fund. Net transfers into the General Fund will increase in conjunction with operating expenditure increases. Staff projected a 5.5% decrease in FY14-15, and increases range from 1.8% to 2.7% in FY15-16 through FY18-19. The reason for the decrease of 5.5% in FY14-15 is due to an annual \$300,000 operating transfer out to Technology Replacement Fund. Pursuant to the City's fiscal policies, the City will set-aside an annual amount of \$300,000 for technological equipment replacement starting FY14-15.

Salaries and benefits Salaries are anticipated to increase by 2% in FY 14-15 through FY 16-17, 1% in FY17-18 and then a 2% increase in FY 18-19. The reason for the 1% increase in FY17-18 is due to anticipated slowdown of housing construction, consequently the need for temporary staff to support and perform development related services will be reduced. One of the long term strategies to deal with structural deficit of the General Fund is to consider compensation as a package to balance various components of the cost increase. Given that health insurance premium is projected to increase from 5% to 8% annually and contribution to CalPERS is anticipated to increase 6% in FY 14-15 and then 2% in each of the subsequent 4 years, compensation to employees in terms of salaries and other benefits will have to remain manageable in the future. The total benefits costs are projected to increase by 5.4% in FY 14-15, 3.4% in FY 15-16, and 2.9% to 3.1% in the subsequent 3 years.

Services and Supplies costs are anticipated to increase between 1.5% to 2.7% reflecting consumer price increase but also assuming City departments continue to hold the line on this expenditure category. There are fluctuations of cost increase between each year due to election costs that are incurred by the City that typically happen every other year.

Debt Service The General Fund does not have any outstanding debt and does not contemplate issuing any General Fund debt in the next five years.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Milpitas  
California**

For the Fiscal Year Beginning

**July 1, 2012**

*Christopher P. Morrell*

President

*Jeffrey R. Egan*

Executive Director

The Government Finance Officers' Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Milpitas for its annual budget for the fiscal year beginning July 1, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



## Budget Guidelines

The annual operating budget is the primary short-term financial plan for the City. The operating budget shall serve as the policy document of the City Council for implementing Council goals and objectives. It is used to set forth the City's estimates of resources available to fund services that are consistent with the Council's goals. Since no plan will prove to be an absolutely accurate reflection of future events, management must have sufficient flexibility to make adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council when adopting the budget. These guidelines are intended to provide that flexibility and to establish adequate controls, through budget monitoring and periodic reporting, to ensure that the overall distribution of resources achieves the results contemplated by the City Council.

Annually, the City Council establishes priorities regarding service levels to provide guidance to management in preparing the recommended budget. Through its legislative authority, the Council approves and adopts the budget by resolution.

The City Manager is responsible for proposing to the City Council a balanced budget which is consistent with the Council's service level priorities and sound business practices. Balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council policies is met.

The Director of Financial Services is responsible for providing periodic budget status reports to the City Manager and the City Council and monthly budget reports to the Department Heads to facilitate control and compliance with the budget.

The Department Heads are responsible for monitoring their respective budgets for compliance with the intent of Council priorities and for insuring that appropriations of the aggregate total of the department are not exceeded.

### SUMMARY OF BUDGET GUIDELINES

#### 1. Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

#### 2. Budget Calendar

A budget preparation calendar will be provided to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar will set forth, at a minimum, dates for the following:

- a. Review of service level priorities by the City Council at an annual Planning Session.
- b. Presentation of the City Manager's proposed budget to the City Council, which shall be no later than the second week in June.

#### 3. Form and Content of the City Manager's Proposed Budget

- a. The City Manager's proposed budget, the Preliminary Budget and Financial Plan, shall be presented in a form which is sufficient to allow the City Council to determine and review:

- Provision of City Council priorities as established at the annual Planning Session;
  - Projected revenues by major category;
  - Operating expenditures by department or program, and by fund;
  - Historical Staffing by Division;
  - Service levels;
  - Statements of objectives and accomplishments;
  - Recommendations for policy changes and impact;
  - Capital improvement appropriations by project.
- b. Comparison with the preceding year's actual results and current year's projected results will be provided for each category of revenue and expenditure shown in the budget.
- c. A description of the service levels to be provided under the proposed budget will be included.
- d. A statement of the services reduced or eliminated and the services improved or added, as compared to the current year, will be included.
- e. A schedule showing General Fund Revenue and Expenditure projection for the next five years.

#### **4. Adoption of the Budget**

The City Council will adopt the budget by resolution no later than June 30<sup>th</sup> of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all the funds that are presented in the operating budget document are subject to appropriation.

#### **5. Budget Authority of the City Manager**

The City Manager shall have the authority to amend appropriations within the various departments and projects within a fund, provided that the amount of the amended appropriation is \$20,000 or less. Interfund transfers or transfers of an appropriation amount within a fund which in any single instance exceed \$20,000 require prior approval of the City Council. No expenditures may be made from any unassigned fund balances without an appropriation by the City Council.

The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time will the number of permanent, full-time employees authorized by the City Council be exceeded.

#### **6. Budget Amendments by the City Council**

The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances.

#### **7. Budget Transfers and Modification Procedures**

Procedures to implement budget transfers or budget modifications are detailed in Standard Procedure No. 21-1, subject to any changes by the Budget Resolution.

#### **8. Automatic Adjustments and Reappropriations**

- a. Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.
- b. Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets.
- c. Incomplete multiple year project balances will automatically be reappropriated.

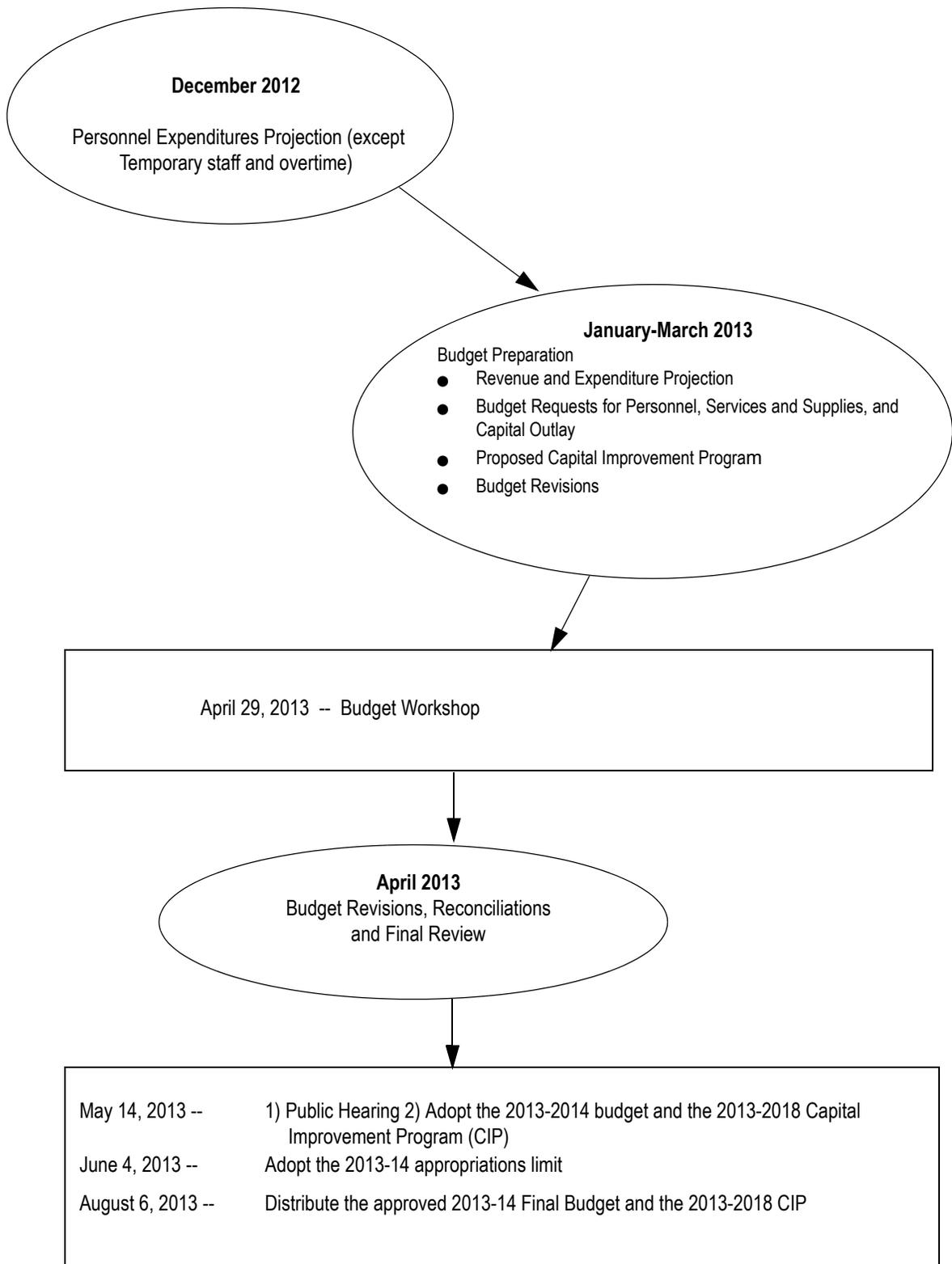
#### **9. Budget Monitoring and Reporting**

- a. General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.
- b. Periodic Budget Reports - The Director of Financial Services will periodically prepare a budget status report for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures, and Water and Sewer utility fund revenues.

### **10. Reserves**

Various unallocated reserves are desired in each of the City's funds to protect the City in emergencies, economic uncertainties, and to finance unforeseen opportunities and/or requirements. Reserve policies for various funds are described in detail in the document entitled "City of Milpitas Fiscal Policies".

## City of Milpitas 2013-2014 Budget Process



**CITY OF MILPITAS**

**BUDGET PREPARATION TIMELINE  
2013-2014 FINANCIAL PLAN**

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	11/15/12	Issue request for Capital Improvement Program (CIP) projects to Department Heads.	CIP Staff
2	11/26/12	Distribute inventory list and capital outlay request packet.	Accounting Staff
3	01/07/13	New Capital Improvement Program (CIP) projects requests are due.	Senior Management Staff
4	01/07/13	<ul style="list-style-type: none"> <li>• Equipment Inventory changes due to Finance.</li> <li>• Capital Outlay Requests due to Finance.</li> </ul>	Senior Management Staff, Budget Liaisons
5	1/08/13	Meetings with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, Director of Financial Services, Senior Management Staff
6	01/09/13	2013-14 Budget Preparation “Kick-Off” meeting with Budget Liaisons.	City Manager, Director of Financial Services, Budget Manager, Budget Liaisons
7	01/09/13 - 01/15/13	Budget Liaison Training	Budget Liaisons and Budget Manager
8	01/14/13 - 01/18/13	Budget projection for Non-Departmental.	Director of Financial Services, Budget Manager
9	01/22/13	Requests for new positions, reclassifications and reallocation of existing positions (including Salary Allocation by Fund) due to Finance, with the City Manager’s initials.	Budget Liaisons
10	01/23/13 - 02/08/13	Review new classification or reclassification requests.	HR Director
11	01/22/13 - 01/25/13	Complete Non-Department Budget BRASS entry.	Budget Manager
12	01/22/13 - 01/28/13	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Budget Manager, Department/Division Heads

**Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline**

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<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
13	01/25/13	<ul style="list-style-type: none"><li>• Data entry in the BRASS budget system is complete.</li><li>• Temporary Position Request Forms are due to Finance.</li><li>• Out of State Travel Form is due to Finance.</li><li>• Summary of service enhancements or new programs or elimination of services/programs that will impact budget is due to Finance.</li></ul>	Budget Liaisons
14	02/07/13	Print and distribute Budget Proformas to Budget Units for review.	Budget Manager
15	02/07/13	All budget preparation information due to Finance: narratives, org charts, and mission statements.	Budget Liaisons
16	02/08/13	HR completes review of new classification or reclassification requests and provides those results to Finance.	HR Director
17	02/14/13	Any changes to Budget Proformas are also due to Finance.	Budget Liaisons
18	02/19/13 - 02/22/13	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
19	02/20/13 - 02/22/13	Review draft CIP document and consider funding feasibility.	City Manager, Director of Financial Services, Public Works Director, Finance Manager
20	03/04/13 - 03/08/13	Budget Unit Work sessions - Review Operating Budget requests with the respective budget unit staff.	City Manager, Senior Management Staff Director of Financial Services, Budget Manager
21	03/04/13 - 03/08/13	Review Proposed CIP document by Finance.	Director of Financial Services, Finance Manager, CIP Accountant
22	03/18/13 - 03/22/13	Final review of budget unit operating budget.	Senior Management Staff, Budget Liaisons
23	03/25/13	Publish Draft 2013-2018 Capital Improvement Program and distribute.	CIP Staff
24	03/25/13 - 03/29/13	Budget Reconciliation: Operating budget and CIP.	Budget Manager, CIP Staff

**Budget Guidelines and Fiscal Policies** Budget Preparation Process and Timeline

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<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
25	04/01/13	Review Draft Parks projects in the CIP Budget.	PRCRC
26	04/10/13	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, Public Work Director
27	04/16/13	Review the Draft 2013-2018 Capital Improvement Program.	City Council
28	04/16/13 - 04/22/13	Draft the Transmittal Letter	Director of Financial Services
29	04/23/13 - 04/29/13	Review the Transmittal Letter.	City Manager
30	04/23/13 - 04/29/13	Final review of proposed budget.	Director of Financial Services, Budget Manager, Finance Manager
31	04/29/13	Budget Workshop	City Council, Senior Management Staff
32	05/02/13	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
33	05/02/13 - 05/06/13	Distribute the Proposed 2013-14 Operating Budget and Financial Plan.	Finance Budget Team
34	05/14/13	1) Public hearing 2) Adopt the recommended 2013-2014 Proposed Budget and Financial Plan and the 2013-2018 Capital Improvement Program.	City Council, Senior Management Staff
35	06/04/13	Adopt the 2013-14 Appropriations Limit Resolution.	City Council
36	07/01/13	Fill out Personnel Action Forms for those employees whose split funding or job function will be different in FY 13-14 and send the forms to HR.	Budget Liaisons
37	08/06/13	Distribute the approved 2013-14 Final Budget and the 2013-2018 Capital Improvement Program.	Finance Budget Team

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## Fiscal Policies

### GENERAL FINANCIAL GOALS

1. To maintain a financially viable city that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local and regional economic change.
3. To maintain and enhance the sound fiscal condition of the City.

### OPERATING BUDGET POLICIES

4. The City will adopt a balanced budget by June 30th of each year.
5. An annual base operating budget will be developed by accurately and realistically projecting revenues and expenditures for the current and forthcoming fiscal year.
6. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided.
7. Annual operating budgets will include the cost of operations of new capital projects.
8. The City will avoid balancing the current budget at the expense of future budgets, unless the use of reserves is expressly authorized by the City Council.
9. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and capital project expenditures are budgeted on a project length basis.

### REVENUE POLICIES

10. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
11. Revenue estimates are to be accurate and realistic, sensitive to both local and regional economic conditions.
12. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate.
13. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest.
14. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
15. One-time revenues will be used for one-time expenditures only, including capital outlay and reserves.

### EXPENDITURE POLICIES

16. The City will maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.
17. Employee benefits and salaries will be maintained at competitive levels.
18. Fixed assets will be maintained and replaced as necessary, minimizing deferred maintenance.
19. The City will develop and use technology and productivity enhancements that are cost effective in reducing or avoiding increased personnel costs.

### UTILITY RATES AND FEES

20. Water and sewer utility customer rates and fees will be reviewed and adjusted annually, if necessary.
21. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and

indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

### **CAPITAL BUDGET POLICIES**

22. The City will develop an annual Five-year Capital Improvement Program (CIP) which is designed to develop and maintain infrastructure to support existing residences and businesses and future anticipated development.
23. The CIP will identify the estimated full cost of each project which includes administration, design, development and implementation, and operating costs once the projects are completed.
24. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.
25. The funding for the first year of the Five-year CIP will be legally appropriated as a component of the annual operating budget. Funding for future projects identified in the five year CIP has not been secured or legally authorized and is therefore subject to change.
26. Each CIP project will be assigned to a Project Manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

### **DEBT POLICIES**

27. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
28. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
29. The City will protect and enhance the City's general credit rating of "AA+".
30. The City may utilize interfund loans rather than outside debt to meet short-term cash flow needs.
31. The City will minimize costs and liabilities to the City when sponsoring debt financing for private sectors.

### **RESERVE POLICIES**

32. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
33. The City will maintain an unassigned fund balance of at least 15% of the annual operating expenditures in the General Fund for emergencies and unforeseen operating or capital needs.
34. The City will maintain in the General Fund a \$5 million Public Employees Retirement Rate Stabilization Reserve. This reserve may be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. The City Council must approve utilization of this reserve at the time of the budget hearing. This reserve will be replenished from the unassigned fund balance after the 15% requirement of the operating expenditures has been met.
35. The City will maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. The City will endeavor to set-aside \$500,000 annually from the General Fund reserve for this purpose.
36. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the required contribution annually.
37. Other reserves assigned to investment portfolio market gain, and uninsured claims payable will be calculated and adjusted annually at appropriate levels.
38. The City will maintain working capital in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs, pump station

repairs. The City will attempt to maintain a working capital reserve of approximately 30% of the annual operating and maintenance expenses for Water utility fund and 25% of the annual operating and maintenance expenses for Sewer utility fund.

39. In addition, the City will maintain Infrastructure Replacement funds for both Water and Sewer utilities. The goal is to accumulate at least \$2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life.
40. The City will maintain at least \$300,000 in the Recycled Water utility fund for the purpose of infrastructure replacement and enhancement.
41. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
42. The City will maintain a capital reserve in an Equipment Replacement fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
43. The City will maintain a capital reserve for technological equipment replacement and will endeavor to set-aside an annual amount of \$300,000 in this fund.
44. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
45. The City may direct any portion of the General Fund revenues that is not required to balance the operating budget to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
46. The City may direct any portion of the unassigned fund balance of the 2% Transient Occupancy Tax Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

### **INVESTMENT POLICIES**

47. The Finance Director/City Treasurer will annually render an investment policy for City Council's review and modification as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
48. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
49. Reports on the City's investment portfolio and cash position shall be developed by the Finance Director/City Treasurer and reviewed by the City Council quarterly.
50. Generally Accepted Accounting Principles required that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances shall not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

### **ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES**

51. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
52. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
53. Periodic financial reports and status reports will be submitted to the City Council at the end of each quarter and be made available to the public. The report will provide an analysis of budgeted versus actual revenues and expenditures, on a year-to-date basis.

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RESOLUTION NO. 8271

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2013-2014**

**WHEREAS**, Article XIII B, Section 1 of the Constitution of the State of California requires that total annual appropriations subject to limitation of the City of Milpitas shall not exceed the appropriations limit of the City for the prior year adjusted for changes in the cost of living and population except as otherwise provided; and

**WHEREAS**, this Article became effective July 1, 1980, as amended, which requires the City to establish its appropriations limit by resolution each year at a regularly scheduled meeting or a noticed special meeting, commencing after the beginning of each fiscal year; and

**WHEREAS**, the appropriations base for 1978-79 had been determined and adjusted by the changes in population, cost of living, and transfers of financial responsibility, establishing an appropriations limit for fiscal year 2013-2014 of \$77,489,247. The calculation is attached hereto as Attachment No.1 ("FY 2013-2014 APPROPRIATIONS LIMIT"); and

**WHEREAS**, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to City Council consideration of this Resolution.

**NOW, THEREFORE**, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The appropriations limit for fiscal year 2013-2014 shall be \$77,489,247, as set forth herein.
3. Pursuant to Government Code Section 7910, no judicial action or proceeding to attack, review, set aside, void, or annul the action of the City Council in establishing the appropriations limit for fiscal year 2013-2014 shall be brought unless such action or proceeding shall have been commenced within forty-five (45) days of the date of adoption of this Resolution.

PASSED AND ADOPTED this 4<sup>th</sup> day of June 2013, by the following vote:

AYES: (4) Mayor Esteves, Vice Mayor Polanski, Councilmembers Gomez and Montano

NOES: (0) None

ABSENT: (1) Councilmember Giordano

ABSTAIN: (0) None

ATTEST:

  
Mary Lavelle, City Clerk

APPROVED:

  
Jose S. Esteves, Mayor

APPROVED AS TO FORM:

  
Michael J. Ogaz, City Attorney

**Attachment No. 1**

**City of Milpitas  
FY 2013-2014 APPROPRIATIONS LIMIT**

Per Capita Change	1.05120
* Population Change	1.01570
Calculation Factor FY 12-13 $1.05120 \times 1.01570$	1.06770
FY 12-13 limit \$72,575,600 x 1.06770	77,489,247
Appropriations Subject to Limit	<u>52,038,859</u>
Appropriations under Limit	<u><u>25,450,388</u></u>

- \* On June 5, 1990, the California electorate passed Proposition 111 which modified the method of adjusting the annual appropriations limit. Beginning with the 1990-91 appropriations limit, the City may choose from the following indices when determining the adjustment factor:

The annual growth in the City's population OR the annual growth in the County's population as provided by the State Department of Finance.

AND

The annual growth in the California Per Capita Personal Income OR the growth in the non-residential assessed valuation due to new construction within the City.

In computing the 2013-2014 appropriations limit, the population growth of the County and the California Per Capita Personal Income change were used.

**RESOLUTION NO. HA9 / 8258**

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE HOUSING AUTHORITY COMMISSION OF THE CITY OF MILPITAS APPROVING THE FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR 2013-2014**

**WHEREAS**, the City Manager submitted a 2013-2014 Proposed Budget and Financial Plan; and

**WHEREAS**, public hearings were held on the Proposed Plan where all interested persons were heard; and

**WHEREAS**, the City Council and Housing Authority Commission (“Authority”) reviewed the City Manager’s 2013-2014 Proposed Budget and Financial Plan; and

**WHEREAS**, on May 14, 2013, the City Council and Authority approved the 2013-2014 Financial Plan and the 2013-2014 Capital Budget.

**NOW, THEREFORE**, the City Council and Authority of the City of Milpitas hereby find, determine, and resolve as follows:

1. The City Council and Authority have considered the full record before them, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The annual budget for the City of Milpitas for fiscal 2013-2014 is hereby reaffirmed and adopted totaling \$114,428,775 for all appropriated funds. This budget assumes that certain savings shall be achieved through concessions from City employees on total compensation.
3. Appropriations and estimated fund balances are hereby allocated for the various purposes designated in the 2013-2014 Final Budget.
4. The budgets for all departments for the period July 1, 2013 through June 30, 2014, inclusively contained in this 2013-2014 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2013-2014.
5. Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of fiscal 2012-2013 may be reappropriated for continued use in fiscal 2013-2014.
6. No office, department, or agency shall expend any amount or incur any liability or enter into any contract, which by its terms involves expenditures of money for any purpose in excess of the amounts appropriated for the particular departments, accounts, and funds set forth herein.
7. The City Manager may authorize, when in his or her judgment such action is consistent with the purposes and intent of the Budget as adopted, budget revisions subject to the following conditions:
  - a. Prior Council Approval Not Required. Prior approval of the City Council is not required under the following circumstances:
    - i. In order to allocate, redistribute and/or appropriate monies between department and non-department funds so as to reflect the budgetary savings achieved through concessions from City employees on total compensation.
    - ii. When revisions, which involve transfers from appropriated contingency reserves, are less than the aggregate amount of 1% of General Fund appropriations, or \$654,000 during fiscal 2013-2014, provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.
    - iii. When revisions involve transfers within various departments or projects within the same fund, provided that the amount of transfer in any single instance does not exceed \$20,000.

- iv. For Police goods and services to be purchased from Asset Seizure funds, the City Manager or his/her designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed the amount designated from Asset Seizure funds as approved by the City Council during the fiscal 2013-2014 Budget hearing.
- b. Prior Council Approval Required. Prior approval of the City Council is required if any of the following are involved:
  - i. Changes providing for increases in permanent personnel or changes in classification for personnel from the number of classes or personnel approved in the adopted Budget.
  - ii. Contract change orders in excess of \$20,000.
  - iii. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the Budget as adopted.
  - iv. Transfers from contingent reserves, which would cause the aggregate amount of 1% of General Fund appropriations, or \$654,000 during fiscal 2013-2014, to be exceeded.
- 8. Information establishing the current budget situation and steps to be taken to present balanced City Budgets has been presented during this meeting of May 14, 2013, and in prior budget presentations.
- 9. There is no potential impact on the environment from this action per Section 15061(b)(3) of the CEQA Guidelines.

PASSED AND ADOPTED this 14th day of May 2013, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Polanski, Councilmembers Giordano, Gomez, and Montano  
NOES: (0) None  
ABSENT: (0) None  
ABSTAIN: (0) None

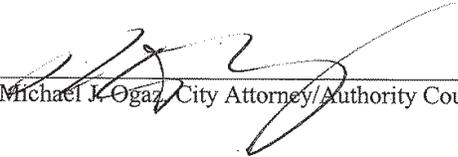
ATTEST:

  
\_\_\_\_\_  
Mary Lavelle, City Clerk/Authority Secretary

APPROVED:

  
\_\_\_\_\_  
Jose S. Esteves, Mayor/ First Chair

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael J. Ogaz, City Attorney/Authority Counsel

RESOLUTION NO. 8260

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING THE AMENDED BUDGET GUIDELINES AND FISCAL POLICIES

WHEREAS, the Budget Guidelines and Fiscal Policies were last revised and approved by the City Council in FY 09-10; and

WHEREAS, proposed amendments to the Budget Guidelines and Fiscal Policies were presented to the City Council during the April 30, 2013 Budget Study Session; and

WHEREAS, the City Council directed further amendments to the Fiscal Policies; and

WHEREAS, staff has now made the further amendments to the Fiscal Policies as directed by City Council, which are included in the attached Exhibit A and consist of:

- (1) The prior Section 35 regarding maintaining a Storm Drain Replacement Reserve is not deleted and remains in the Fiscal Policies; and
(2) A new Section 45 is added to the Fiscal Policies providing that General Fund revenues not required to balance the operating budget may be directed to a General Government Capital Improvement Fund.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

- 1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The amended Budget Guidelines and Fiscal Policies attached hereto as Exhibit A are hereby approved.

PASSED AND ADOPTED this 14th day of May 2013, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Polanski, Councilmembers Giordano, Gomez, and Montano
NOES: (0) None
ABSENT: (0) None
ABSTAIN: (0) None

ATTEST:

Mary Lavelle
Mary Lavelle, City Clerk

APPROVED:
Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Michael J. Ogaz, City Attorney

RESOLUTION NO. 8259

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS  
AMENDING THE CLASSIFICATION PLAN

**WHEREAS**, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been from time to time previously amended, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792, as amended); and

**WHEREAS**, amendments to the Classification Plan are necessary to account for changes within the organization, reductions in staffing, transfer of duties, new job responsibilities, and adjustments to salary ranges.

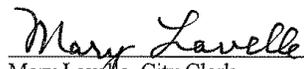
**NOW THEREFORE**, the City Council of the City of Milpitas hereby finds, determines and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby amended effective July 1, 2013, as follows:
  - A. Two (2) Document Processing Technician positions and one (1) Lead Word Processing Technician position within the City Manager Department have been unfilled for over a year and are deleted.
  - B. The classification of "Office Assistant" is no longer applicable within the Human Resources Department and is re-titled and changed to "Human Resources Assistant" due to the specialized nature of the Department.
  - C. The classification of "Secretary" is reclassified to "Executive Secretary" within the Police Department due to the broadening of the duties of that position.
  - D. One (1) Senior Planner position is added to the Planning and Neighborhood Services Department's authorized position list for the purpose of enhancing customer service, the timely processing of quality development projects and implementing the Transit Area Plan and Mid-Town Specific Plan. This position improves the overall efficiency of the Planning Department with a high level experienced professional planner working with the existing staff.

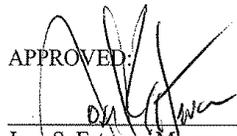
PASSED AND ADOPTED this 14th day of May 2013, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Polanski, Councilmembers Giordano, Gomez, and Montano  
NOES: (0) None  
ABSENT: (0) None  
ABSTAIN: (0) None

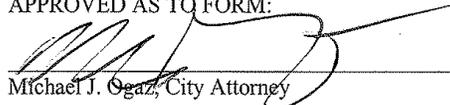
ATTEST:

  
Mary Lavelle, City Clerk

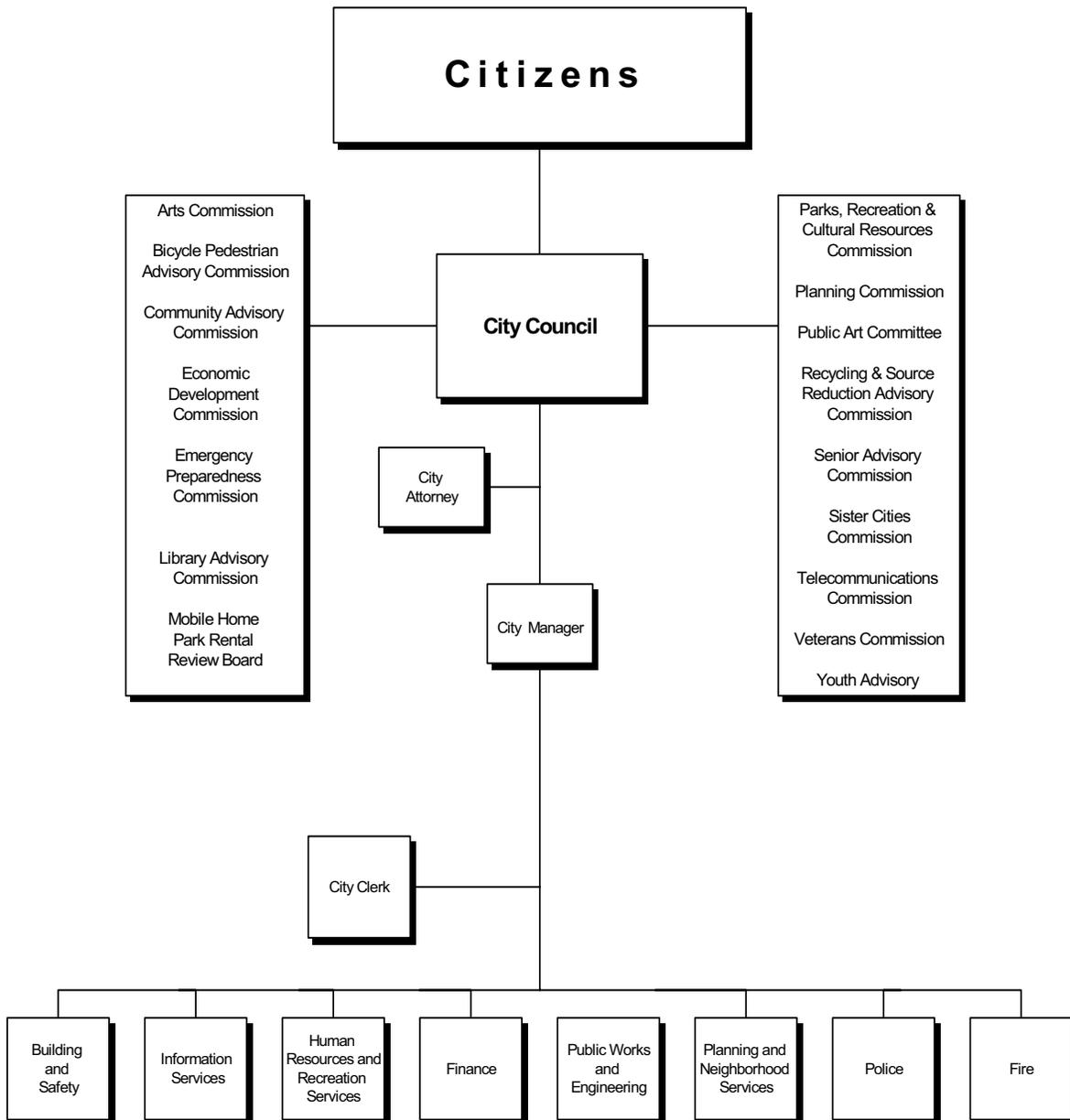
APPROVED:

  
Jose S. Esteves, Mayor

APPROVED AS TO FORM:

  
Michael J. Ogazi, City Attorney

Resolution No. 8259



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## City History

Before roads were carved and houses were built, Milpitas and its surrounding areas were home to native Americans in the Costanoan and Ohlone tribes. Living off the bounty of the land around San Francisco Bay, the Costanoans and the Ohlones prospered for hundreds of years long before Mexican or Spanish immigrants came to conquer the land.

In the 18<sup>th</sup> century, Spanish explorers surveyed the land and were the first to give Milpitas its name - milpa - or little cornfields. Three large ranches began, and two families, the Alvisos and the Higuerras, built adobes in the mid-1800's which still stand today

In 1850, the California Gold Rush began, and "American" settlers started taking over the region. In 1852, a settler from Ireland, Michael Hughes, built the first redwood-framed house in what is now Milpitas. Soon after, the first school was built, and by 1857, Milpitas had a hotel, general store and a post office.

Fruit orchards began to spring up in the 1870s, and later the region was known for its hay growing. The population continued to grow into the 1880s and settlers numbered over 1,500. But by the turn of the century, only about a third of those people remained.



Higuera Adobe



Alviso Adobe

Populations would remain low until shortly after World War II, when Western Pacific Railroad bought a 300 acre industrial park within the city and Ford Motor Company announced it would shift its manufacturing plant from Richmond (just north of Oakland) to Milpitas. The population grew to 825. Sewer and water service, and fire protection were set up shortly after, as was one of the country's first integrated housing communities.

On January 26, 1954, the city was officially incorporated, after fighting off annexation attempts by neighboring San Jose. Ten years later, populations grew to 7,000.

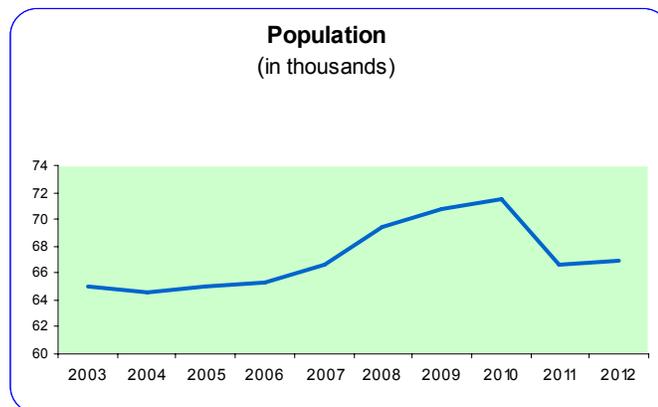
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to more than 67,000 residents.

*History Courtesy of:* The Milpitas Post  
*Photos Courtesy of:* Eliren Pasion

## Demographic Profile



Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 67,894 are family-centered communities that embrace cultural diversity, quality schooling, conveniently located neighborhood parks and shopping centers.



Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley Floor to the west. The city is located in Santa Clara County, home to close to 1.8 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

There are approximately 1,380 acres, or 2.6 square miles, designated for various industrial uses. About 271 acres are vacant and available in parcels ranging from 1/2 acres to 75 acres. There are eight existing industrial parks and 550 manufacturing plants in Milpitas. An additional 410 acres are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.





The two largest employers in Milpitas are Cisco Systems and KLA-Tencor with over 2,000 employees each. Other major employers are Flextronics Corporation; LSI Logic Corporation; SanDisk Corporation; Linear Technology; and Lifescan, Inc. Several of these top employers have made the City of Milpitas their corporate headquarters as well. Given the City's desirable location for high-tech industry, the day time population of Milpitas increases to 100,000.

The City's largest own-source revenue is property tax. Top ten property tax payers are shown below:

<b>Principal Property Tax Payers</b>		
Fiscal Year 2011-12		
<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total City Assessed Value</u>
Cisco Technology Inc.	\$426,047,061	3.71%
Milpitas Mills LP	320,821,128	2.79%
KLA Tencor Corporation	200,388,156	1.74%
California Diversified	123,523,176	1.07%
BRE Milpitas LLC	116,437,669	1.01%
Liner Technology Corporation	108,712,826	0.95%
Headway Technologies Inc.	107,587,426	0.94%
Solyndra Inc.	94,210,095	0.82%
Sandbox Expansion LLC	88,639,838	0.77%
EQR Fresca 2009 LP	79,107,219	0.69%

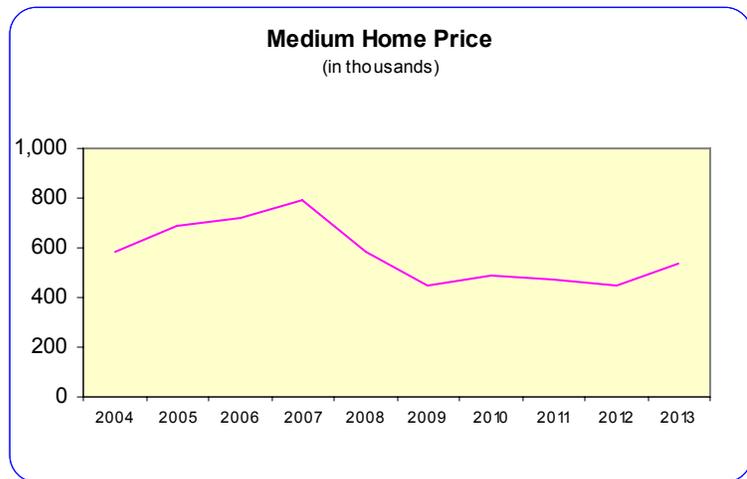
**General Information** Demographic Profile

Milpitas' neighborhoods are dotted with close to 19,985 households and well-placed parks. Thirty community parks are maintained by Milpitas, in addition to one dog park and 20 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services.

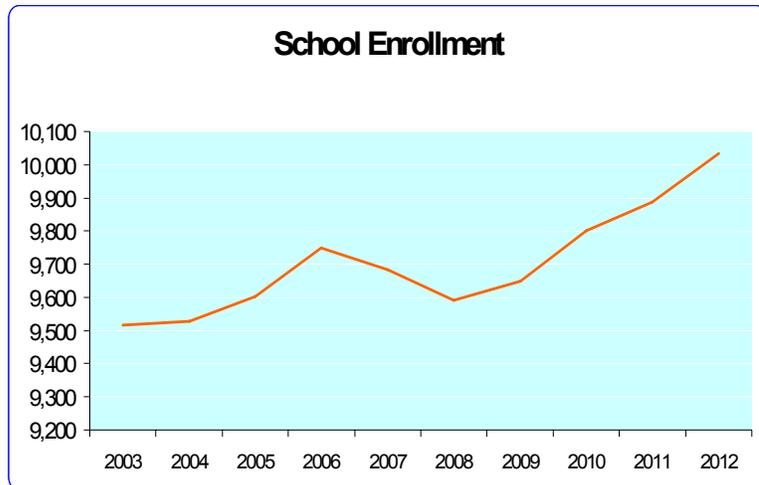


Milpitas' average household income is \$98,650. The percentage of households with incomes more than \$75,000 is close to 79 percent. About 41% of the households earn more than \$100,000 annually.

Close to 63 percent of Milpitans own their own home. Rental prices vary from \$1,025 to \$1,735 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,615 to \$2,505. The median price of a home as of January 2013 in Milpitas is \$537,000. There are 20 suburban residential areas. About 7 percent of the city's population are 5 years old or younger, the lowest in the county. About 18 percent are between 6 and 18 years old. About 66 percent of the population are between 18 and 64 years old. About 9 percent of residents are over 65, also the lowest in the county.



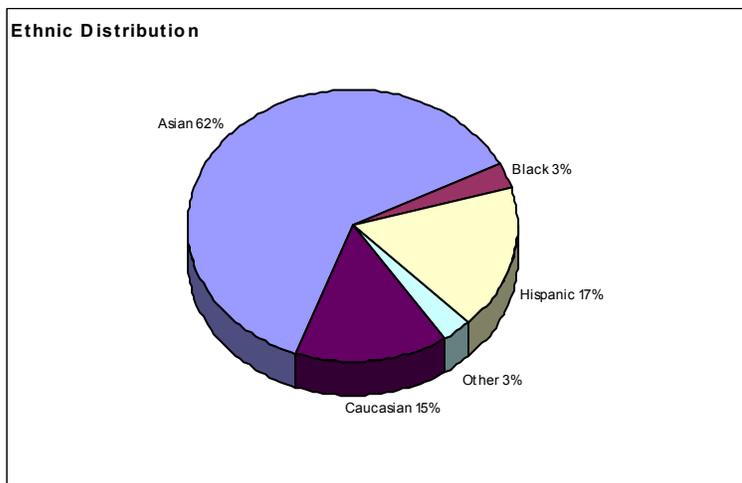
Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 33 preschool/daycare facilities. School enrollment is 10,033.



Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2010 census, an estimated 62 percent of residents are Asian; 15 percent are Caucasian; 17 percent are Hispanic or Latino; and 3 percent are Black or African-Americans.

At 20 feet above sea level, Milpitas' mild climate averages 59 degrees, with gentle winds from the northwest and little more than 13 inches of rain expected in a typical year.

The bustling general law city is supervised by a council-manager form of government. The Milpitas City Council is the flagship decision making body that appoints members to many commissions that serve in advisory capacities. The mayorship is an elected position, as are all the council seats. Mayors serve two-year terms; council members have four-year seats.



The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's \$114 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum. The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 16 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library Advisory Commission and Senior Advisory Commission, to name a few.

Issues challenging most commissions these days are development, quality of life and how to streamline traffic bottlenecks that plague this area at commute times.

City of Milpitas at a Glance			
Date of Incorporation	January 26, 1954	<b>Water Utility</b>	
Form of Government	Council-Manager	Number of Customers:	
		Residential	14,302
		Commercial	2,058
<b>Population (estimated*)</b>	67,894	Recycled Water	194
<b>Land Area (Square Miles)</b>	13.6	Average Daily Consumption	
<b>Miles of Streets</b>	139	(in gallons)	8,200,000
<b>Number of Street Lights</b>	4,500	Miles of Water Mains	213
<b>Fire Protection</b>		<b>Sewer Utility</b>	
Number of Stations	4	Miles of Sanitary Sewers	179
Number of Firefighters	53	Miles of Storm Drains	110
Fire Apparatus	13	<b>Public Schools Serving the Community</b>	
Number of Fire Hydrants	1,840	Elementary Schools	9
<b>Police Protection</b>		Middle Schools	2
Number of Stations	2	High Schools	2
Number of Sworn Officers	83	<b>Parks and Recreation</b>	
Crossing Guard Posts	43	Acres of Parkland	179
Number of Police Patrol Vehicles	27	Number of Parks	33
<b>Employees</b>		Number of Swimming Pools	3
Permanent	454	Number of Tennis Courts	20
Temporary (FTE)	59		

Courtesy of:  
 \* State of California, Department of Finance  
 The Milpitas Post  
 The City of Milpitas, Finance Department

## Vicinity Map



The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. A light rail line opened for service in 2004 and an extension of BART, including a major multi-model station is expected to open for service in 2017.

**City Council**

Mayor	Jose S. Esteves
Vice Mayor	Althea Polanski
Councilmember	Debbie Giordano
Councilmember	Armando Gomez, Jr
Councilmember	Carmen Montano

**Board, Commissions, and Committee**

**Arts Commission**

Robert Gill  
Bill Foulk  
Robin Hays  
Harriet McGuire  
Nicole Phan  
Doris Roth  
Tess Santos  
Becky Strauss

**Public Art Committee**

Cyd Mathias  
Larry Voellger

(Plus all Arts Commission Members including Alternates)

**Bicycle Pedestrian  
Advisory Commission**

Rene Briones  
Kristal Caidoy  
Chris Lee  
Jose Leon  
Antonio Pablo, Jr.  
Christine Sanchez  
Nawal Stanojevic

**Economic Development**

Ricardo Ablaza  
Sumeet Ahuja  
Chandru Bhambhra  
Dhaval J. Brahmhatt  
Marsha Grilli  
Melanie Holthaus  
B. Michael Howard  
Minh Ngyuen  
Cat-Tuong Nguyen  
Donald Peoples  
Charlene Tsao  
Warren Wettenstein

**Community Advisory Commission**

Edna R. Andres  
Thelma Batilo  
Samantha Beard  
Jacqueline Holland  
Oscar Leon  
Jennifer Lind  
Ray Maglalang  
Michelle Manassau  
Syed Mohsin  
Jose Rosario  
Van Lan Truong

**Emergency Preparedness  
Commission**

Mercedes Albana  
Michael Berryhill  
Don Clendenin  
Tim Howard  
Phong Nguyen  
Betty Jo Reutter  
Charlotte Torres Ronquillo  
Brian Shreve  
Stephen Strauss  
Arlyn Swiger  
Pamela Wells

**Library Advisory Commission**

Trinidad Aoalin  
Yu-Lan Chou  
Elpidio Estioko  
Hellie Mateo  
Nonie McDonald  
Marie Pham  
Ha Phan  
Margie Stephens  
Sonny S. Wang

**Board, Commissions, and Committee**

**Mobile Home Park Rental**

**Review Board**

Huy Bui  
Mila Garcia  
Demetrio Nitafan  
Arthus Sana

**Parks, Recreation and Cultural**

**Resources Commission**

Stephanie Fong  
Gerome Guerrero  
Naomi Matau  
Vishnu Mathur  
Steve Munzel  
Evelyn Ramirez  
Rohit Sharma  
Bhupinder (Bill) Singh

**Planning Commission**

Garry Barbadillo  
Lawrence Ciardella  
John Luk  
Rajeev Madnawat  
Sudhir Mandal  
Zeya Mohsin  
Demetress Morris  
Gurdev "Dave" Sandhu

**Recycling and Source Reduction**

**Advisory Commission**

Madan Arora  
Echo Arthur  
Ed Blake, Jr.  
Kashmir Gill  
Eddie Inamdar  
Joe Kwong  
Christopher Salian  
Steve Ybarra

**Senior Advisory Commission**

Karen Adams  
Mary Banick  
Moo Jin Choi  
Bal Daquigan  
Barbara Ebright  
Estrella Gilana  
Melba Holliday  
Deborah R. Langley  
Denny Weisgerber  
Bernice Wrinkle

**Sister Cities Commission**

Dana Arbaugh  
Massoud Arefi  
Peter Chang  
Nolan Chen  
German Galvan  
Dennis Grilli  
Miriam Hardin  
Roselda Mateo  
Karen Serpa  
Brenda Su

**Telecommunications Commission**

Albert Alcorn  
Ernesto Bautista  
Kurt Bohan  
Dinesh Gupta  
Niranjan Gupta  
William Lam  
Debra (Whitlock) Lax  
M. Idrees Munir  
Hien Nguyen  
Sukhi Singh  
Hai Tran

**Veterans Commission**

Dana Arbaugh  
Bruce Choy  
Arthur Ebright  
David Grundstrom  
Mel Hinshaw  
Ferdinand Luis, Jr.  
Liliana Ramos  
Juan Samano  
Denny Weisgerber

**Youth Advisory Commission**

Randolph Abaya  
Jose Ajero III  
Raveena Chadal  
Pilar Ferguson  
Arjun Goyal  
Sahil Hansalia  
Sabina King  
Monica La  
Sabrina Leon  
Isaiah Rigmaiden-Daniels  
Sahil Sandhu  
Cindy Wang  
Veronica Wang

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## Directory of Officials

Fiscal Year 2013 – 2014

**City Manager**

Thomas C. Williams

**Police Chief**

Steve Pangelinan

**Director of Financial Services**

Emma Karlen, CPA

**Fire Chief**

Brian Sturdivant

**City Clerk**

Mary Lavelle

**City Attorney**

Michael Ogaz

**Chief Information Officer**

Mike Luu, Acting

**Human Resources & Recreation Director**

Carmen Valdez

**Public Works Director/City Engineer**

Jeff Moneda, PE

**Planning & Neighborhd Svc Director**

Steven McHarris

**Chief Building Official**

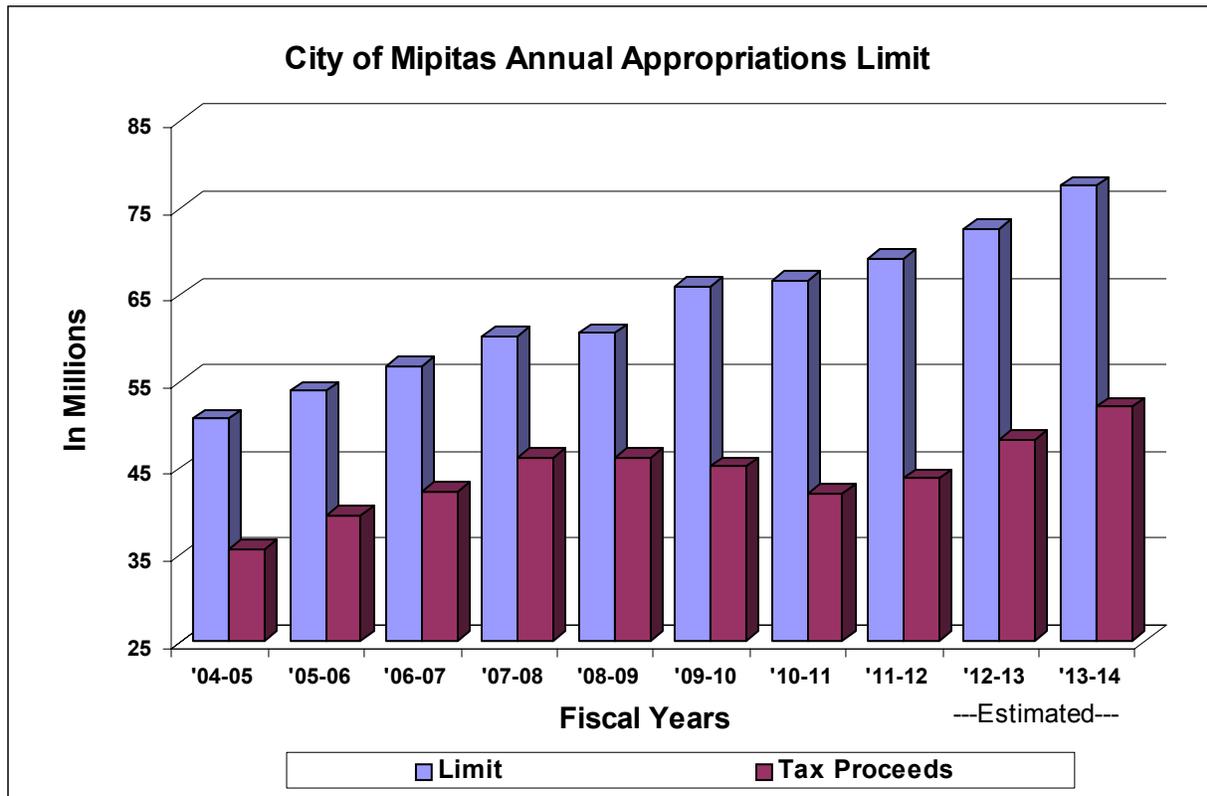
Keyvan Irannejad

## Gann Limit Analysis

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was approved by California voters in November 1979 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and spend each year. If an agency receives more revenue than the Appropriations Limit, the excess revenue must be returned to the taxpayers through a tax reduction or refund within the next two years. Alternatively, the agency can increase its Appropriations Limit through voters' approval.

Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. The City Council must adopt, by resolution, an Appropriations Limit for the following year. Using the population and per capita personal income change factors provided by the State of California, the City's Appropriations Limit for FY2013-14 has been computed to be \$77,489,247. Appropriations subject to the limitation in FY2013-14 budget total \$52,038,859 that is \$25,450,388 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2004-2005. The City has not exceeded its annual Appropriations Limit in any single fiscal year. The City has been under 90% of the limitation and should not be impacted by the Appropriations Limit.



## Computation of Legal Bonded Debt Margin

**City of Milpitas  
June 30, 2013**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$11,900,711,799</u>	
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BONDED DEBT LIMIT ( 3.75% OF ASSESSED VALUE) (A)		<u>\$446,276,692</u>
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$165,250,000	
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Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	\$165,250,000	
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Amount of debt subject to limit		<u>-0-</u>
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LEGAL BONDED DEBT MARGIN		<u>\$446,276,692</u>
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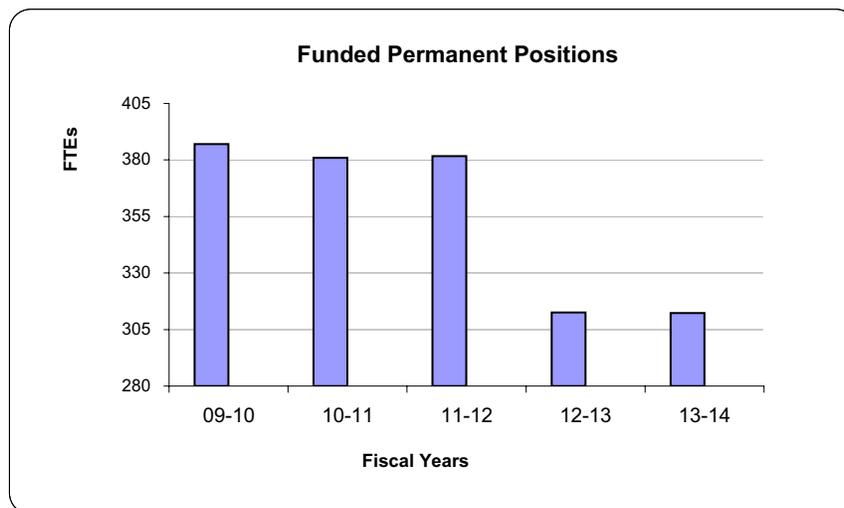
- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

**Authorized Positions by Division**

	10 - 11		11 - 12		12 - 13		Change		13 - 14	
	Approved		Approved		Approved				Approved	
	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp
<b>100</b> City Council	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
<b>111</b> City Manager	4.00	0.00	4.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
<b>114</b> City Clerk	10.00	0.00	10.00	0.00	6.00	0.00	(3.00)	0.00	3.00	0.00
<b>116</b> RDA & Economic Dvp	1.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>City Manager</b>	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>16.00</u>	<u>0.00</u>	<u>(3.00)</u>	<u>0.00</u>	<u>13.00</u>	<u>0.00</u>
<b>120</b> City Attorney	4.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
<b>City Attorney</b>	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>
<b>530</b> Building and Safety	28.00	0.00	28.00	0.00	28.00	0.00	0.00	3.00	28.00	3.00
<b>Building and Safety</b>	<u>28.00</u>	<u>0.00</u>	<u>28.00</u>	<u>0.00</u>	<u>28.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3.00</u>	<u>28.00</u>	<u>3.00</u>
<b>112</b> Information Services	20.00	0.00	20.00	0.00	15.00	0.00	0.00	0.00	15.00	0.00
<b>Information Systems</b>	<u>20.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>	<u>15.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15.00</u>	<u>0.00</u>
<b>115</b> Human Resources	6.00	0.50	6.00	0.50	6.00	0.50	0.00	0.25	6.00	0.75
<b>450</b> Recreation Services	28.50	39.00	28.50	34.00	25.50	30.50	0.00	0.75	25.50	31.25
<b>HR &amp; Recreation</b>	<u>34.50</u>	<u>39.50</u>	<u>34.50</u>	<u>34.50</u>	<u>31.50</u>	<u>31.00</u>	<u>0.00</u>	<u>1.00</u>	<u>31.50</u>	<u>32.00</u>
<b>300</b> Finance Administration	12.00	0.00	12.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
<b>310</b> Finance Operations	21.50	0.75	21.50	0.75	20.50	1.00	0.00	0.00	20.50	1.00
<b>Finance</b>	<u>33.50</u>	<u>0.75</u>	<u>33.50</u>	<u>0.75</u>	<u>27.50</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>27.50</u>	<u>1.00</u>
<b>420</b> Public Works	96.00	5.00	96.00	5.00	87.00	5.00	2.00	0.00	89.00	5.00
<b>410</b> Engineering	40.00	0.50	40.00	0.50	28.00	0.50	0.00	1.50	28.00	2.00
<b>Public Works &amp; Engring</b>	<u>136.00</u>	<u>5.50</u>	<u>136.00</u>	<u>5.50</u>	<u>115.00</u>	<u>5.50</u>	<u>2.00</u>	<u>1.50</u>	<u>117.00</u>	<u>7.00</u>
<b>510</b> Planning & Nghbrhd	18.00	0.00	18.00	0.00	16.50	0.00	1.00	1.00	17.50	1.00
<b>Planning &amp; Nghbrhd Srves</b>	<u>18.00</u>	<u>0.00</u>	<u>18.00</u>	<u>0.00</u>	<u>16.50</u>	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>	<u>17.50</u>	<u>1.00</u>
<b>700</b> Police Administration	3.00	0.00	3.00	0.00	2.00	0.00	1.00	0.00	3.00	0.00
<b>710</b> Police Technical Services	30.50	1.00	30.50	1.00	29.50	1.00	0.00	0.00	29.50	1.00
<b>720</b> Police Field Services	74.00	13.00	74.00	13.00	76.00	13.00	(1.00)	0.00	75.00	13.00
<b>730</b> Special Operations	16.00	0.00	16.00	0.00	14.00	0.00	0.00	0.00	14.00	0.00
<b>Police</b>	<u>123.50</u>	<u>14.00</u>	<u>123.50</u>	<u>14.00</u>	<u>121.50</u>	<u>14.00</u>	<u>0.00</u>	<u>0.00</u>	<u>121.50</u>	<u>14.00</u>
<b>800</b> Fire Administration	3.00	0.00	4.00	0.00	4.00	0.50	0.00	0.00	4.00	0.50
<b>810</b> Emerg Resp & Prep Div	67.00	0.00	66.00	0.00	66.00	0.00	0.00	0.00	66.00	0.00
<b>820</b> Prevention Division	10.00	0.00	10.00	0.00	10.00	0.00	0.00	0.50	10.00	0.50
<b>Fire</b>	<u>80.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.50</u>	<u>0.00</u>	<u>0.50</u>	<u>80.00</u>	<u>1.00</u>
<b>TOTAL</b>	<u>497.50</u>	<u>59.75</u>	<u>497.50</u>	<u>54.75</u>	<u>455.00</u>	<u>52.00</u>	<u>0.00</u>	<u>7.00</u>	<u>455.00</u>	<u>59.00</u>

## Funded Permanent Positions by Department

	09-10		10-11		11-12		12-13		13-14
	Funded	Change	Funded	Change	Funded	Change	Funded	Change	Funded
City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00	5.00
City Manager	2.00	0.00	2.00	0.00	2.00	0.00	2.00	0.00	2.00
City Clerk	6.00	0.00	6.00	0.00	6.00	(3.00)	3.00	(1.00)	2.00
RDA & Economic Dvp	1.00	0.00	1.00	0.00	1.00	(1.00)	0.00	0.00	0.00
<b>City Manager</b>	<b>14.00</b>	<b>0.00</b>	<b>14.00</b>	<b>0.00</b>	<b>14.00</b>	<b>(4.00)</b>	<b>10.00</b>	<b>(1.00)</b>	<b>9.00</b>
City Attorney	4.00	0.00	4.00	0.00	4.00	(1.00)	3.00	0.00	3.00
Building and Safety	17.00	(0.50)	16.50	0.50	17.00	(3.00)	14.00	3.00	17.00
Information Services	14.00	0.00	14.00	0.00	14.00	(3.75)	10.25	(0.25)	10.00
HR and Recreation Svcs	22.00	0.00	22.00	(0.75)	21.25	(4.50)	16.75	(1.00)	15.75
Finance	25.50	0.00	25.50	0.00	25.50	(4.00)	21.50	0.00	21.50
Public Works & Engring	103.00	(2.50)	100.50	(1.50)	99.00	(40.00)	59.00	2.00	61.00
Planning & Nghbrhd Srves	11.50	1.00	12.50	(1.50)	11.00	(1.00)	10.00	0.00	10.00
Police	110.00	1.00	111.00	(1.00)	110.00	(6.00)	104.00	1.00	105.00
Fire	66.00	(5.00)	61.00	5.00	66.00	(2.00)	64.00	(4.00)	60.00
<b>TOTAL</b>	<b>387.00</b>	<b>(6.00)</b>	<b>381.00</b>	<b>0.75</b>	<b>381.75</b>	<b>(69.25)</b>	<b>312.50</b>	<b>(0.25)</b>	<b>312.25</b>

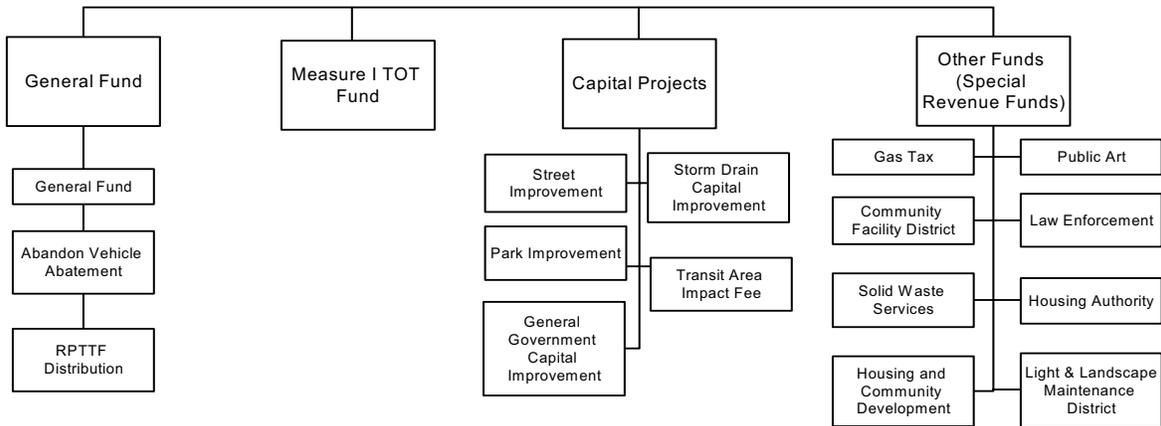


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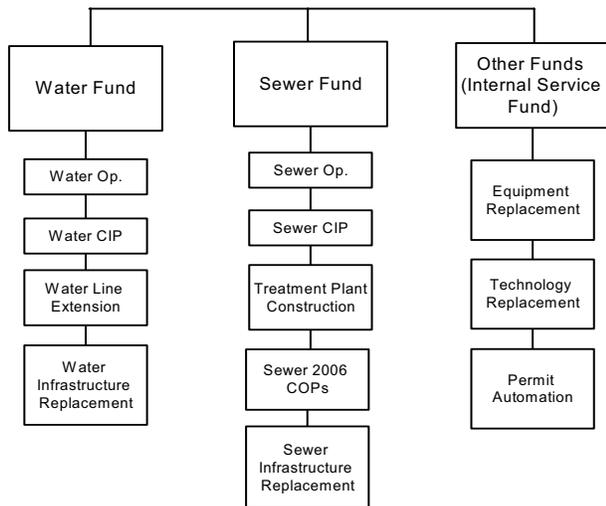
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# City of Milpitas Fund Structure By Budgetary Basis

## Modified Accrual Basis of Budgeting



## Accrual Basis of Budgeting



### Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

**Accrual Basis** is a basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

**Modified Accrual Basis** is a basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred.

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	Grand Total	General Fund (1)	Measure I TOT
<b>ESTIMATED REVENUES</b>			
PROPERTY TAXES	19,203,000	19,203,000	0
TAXES OTHER THAN PROPERTY	33,066,000	31,006,000	1,523,000
LICENSES AND PERMITS	5,253,000	5,253,000	0
FINES AND FORFEITS	486,000	486,000	0
USE OF MONEY AND PROPERTY	664,000	145,000	31,000
INTERGOVERNMENTAL	5,169,050	979,000	0
CHARGES FOR CURRENT SERVICES	41,404,322	5,466,000	0
OTHER REVENUE	1,142,000	104,000	0
<b>sub-total</b>	<b>106,387,372</b>	<b>62,642,000</b>	<b>1,554,000</b>
<b>OTHER FINANCING SOURCES</b>			
(INCREASE) DECREASE IN FUND BALANCE	1,810,527	0	(856,160)
(INCREASE) DECREASE IN CIP RSRV	6,230,876	0	0
OPERATING TRANSFERS IN	7,260,987	3,660,963	0
OPERATING TRANSFERS OUT	(7,260,987)	(890,024)	(600,000)
<b>sub-total</b>	<b>8,041,403</b>	<b>2,770,939</b>	<b>(1,456,160)</b>
<b>TOTAL</b>	<b>114,428,775</b>	<b>65,412,939</b>	<b>97,840</b>
<b>BUDGETED APPROPRIATIONS</b>			
PERSONNEL SERVICES	57,952,007	52,459,435	44,840
SUPPLIES & CONTRACTUAL SERVICES	36,314,724	12,940,764	53,000
CAPITAL OUTLAY	583,094	12,740	0
<b>sub-total</b>	<b>94,849,825</b>	<b>65,412,939</b>	<b>97,840</b>
CAPITAL IMPROVEMENTS	18,894,950	0	0
DEBT SERVICE	684,000	0	0
<b>sub-total</b>	<b>19,578,950</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>114,428,775</b>	<b>65,412,939</b>	<b>97,840</b>
<b>FUND BALANCE</b>			
FUND BALANCES 7/1/2013	138,997,732	25,518,032	6,655,700
NET CHANGE IN FUND BALANCES	(8,041,403)	0	856,160
FUND BALANCES 6/30/2014	<u>130,956,330</u>	<u>25,518,032</u>	<u>7,511,860</u>
RESTRICTED	14,727,107	1,468,635	0
RESTRICTED FOR CIP	51,267,124	0	0
COMMITTED FOR PERS	5,432,703	5,432,703	0
ASSIGNED	21,255,554	2,816,694	7,511,860
UNASSIGNED, UNRESTRICTED	38,273,842	15,800,000	0
<b>TOTAL</b>	<b>130,956,330</b>	<b>25,518,032</b>	<b>7,511,860</b>

(1) General Fund includes RPTTF Distribution Fund, Abandon Vehicle Abatement Fund and administration funds of the former Redevelopment Agency.

(2) Other Funds include Public Art Fund, Community Facility District Fund, Gas Tax Fund, Light & Landscape Maintenance District Funds, Housing and Community Development Fund, Law Enforcement Grant Funds, Solid Waste Services Fund, Equipment Replacement Fund, Information Technology Replacement Fund and Permit Automation Fund.

**Financial Information Budget Summary**

<u>Housing Authority</u>	<u>Other Funds (2)</u>	<u>Capital Projects (3)</u>	<u>Water Fund (4)</u>	<u>Sewer Fund (5)</u>
0	0	0	0	0
0	537,000	0	0	0
0	0	0	0	0
0	0	0	0	0
6,000	110,000	154,000	93,000	125,000
0	2,470,000	1,690,050	30,000	0
0	2,448,322	0	21,190,000	12,300,000
0	723,000	0	155,000	160,000
<u>6,000</u>	<u>6,288,322</u>	<u>1,844,050</u>	<u>21,468,000</u>	<u>12,585,000</u>
872,990	221,452	986,000	(1,880,203)	2,466,447
0	0	3,564,876	333,000	2,333,000
0	0	3,600,024	0	0
0	(2,369,133)	0	(1,829,179)	(1,572,651)
<u>872,990</u>	<u>(2,147,681)</u>	<u>8,150,900</u>	<u>(3,376,382)</u>	<u>3,226,796</u>
<u>878,990</u>	<u>4,140,641</u>	<u>9,994,950</u>	<u>18,091,619</u>	<u>15,811,796</u>
172,290	1,047,068	0	2,340,906	1,887,468
706,700	2,673,810	0	14,205,417	5,735,033
0	419,763	0	145,296	5,295
<u>878,990</u>	<u>4,140,641</u>	<u>0</u>	<u>16,691,619</u>	<u>7,627,796</u>
0	0	9,994,950	1,400,000	7,500,000
0	0	0	0	684,000
<u>0</u>	<u>0</u>	<u>9,994,950</u>	<u>1,400,000</u>	<u>8,184,000</u>
<u>878,990</u>	<u>4,140,641</u>	<u>9,994,950</u>	<u>18,091,619</u>	<u>15,811,796</u>
4,000,000	18,609,000	36,545,000	17,990,000	29,680,000
(872,990)	(221,452)	(4,550,876)	1,547,203	(4,799,447)
<u>3,127,010</u>	<u>18,387,548</u>	<u>31,994,124</u>	<u>19,537,203</u>	<u>24,880,553</u>
3,127,010	10,131,462	0	0	0
0	0	22,363,124	12,357,000	16,547,000
0	0	0	0	0
0	310,000	10,617,000	0	0
0	7,946,086	(986,000)	7,180,203	8,333,553
<u>3,127,010</u>	<u>18,387,548</u>	<u>31,994,124</u>	<u>19,537,203</u>	<u>24,880,553</u>

(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

(4) Water Fund includes Water Fund, Water Fund CIP, Water Line Extension Fund and Water Infrastructure Replacement Fund.

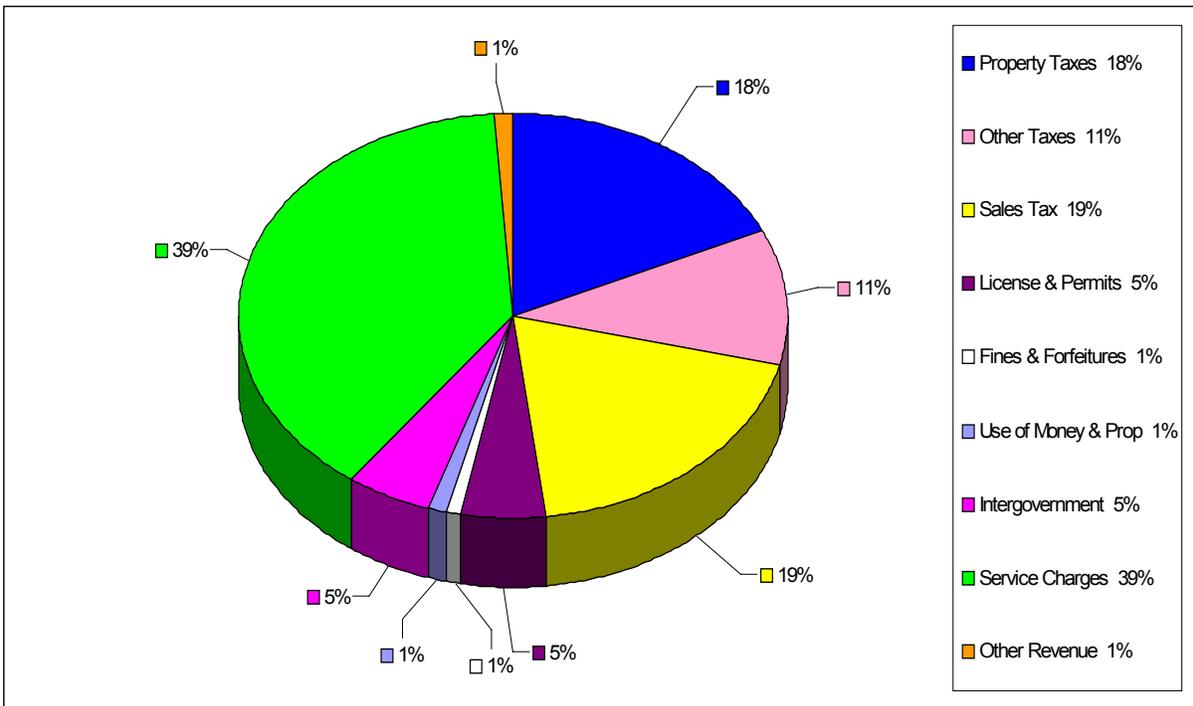
(5) Sewer Fund includes Sewer Fund, Sewer Fund CIP, Treatment Plant Construction Fund, Sewer 2006 COPs fund and Sewer Infrastructure Replacement Fund.

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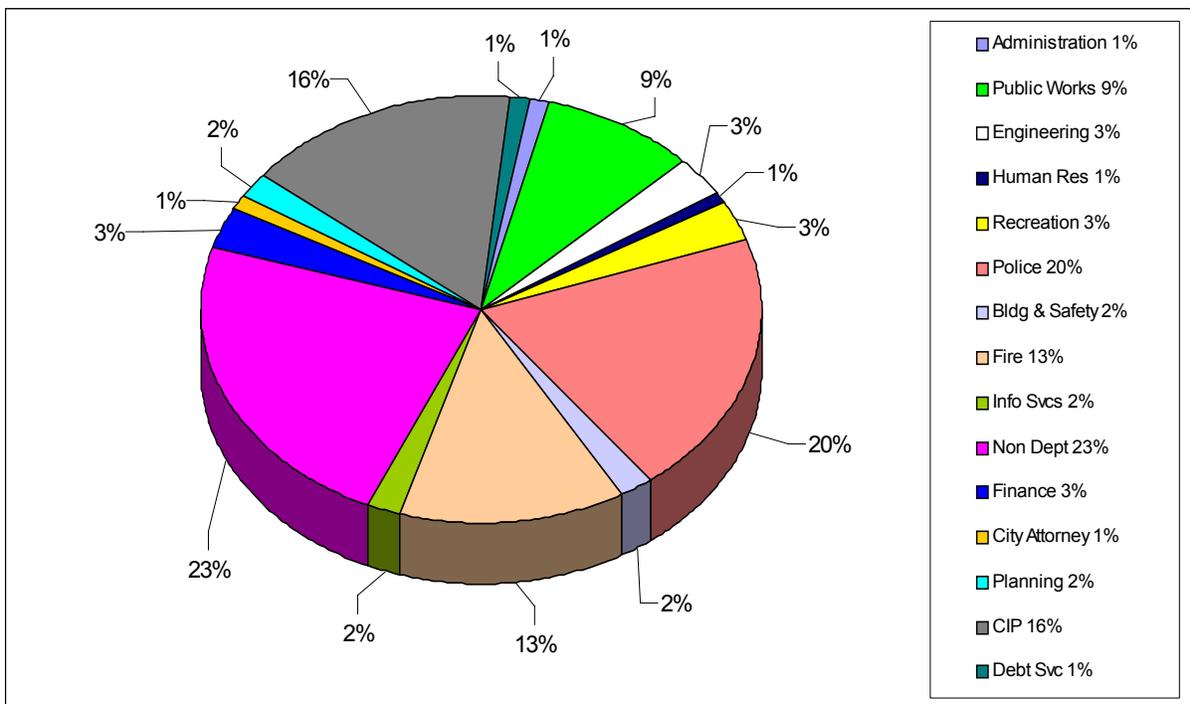
### Distribution of Revenues

2013-2014  
(All Funds)



### Distribution of Expenditures

2013-2014  
(All Funds)



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**Financial Information** General Fund Revenue Assumptions

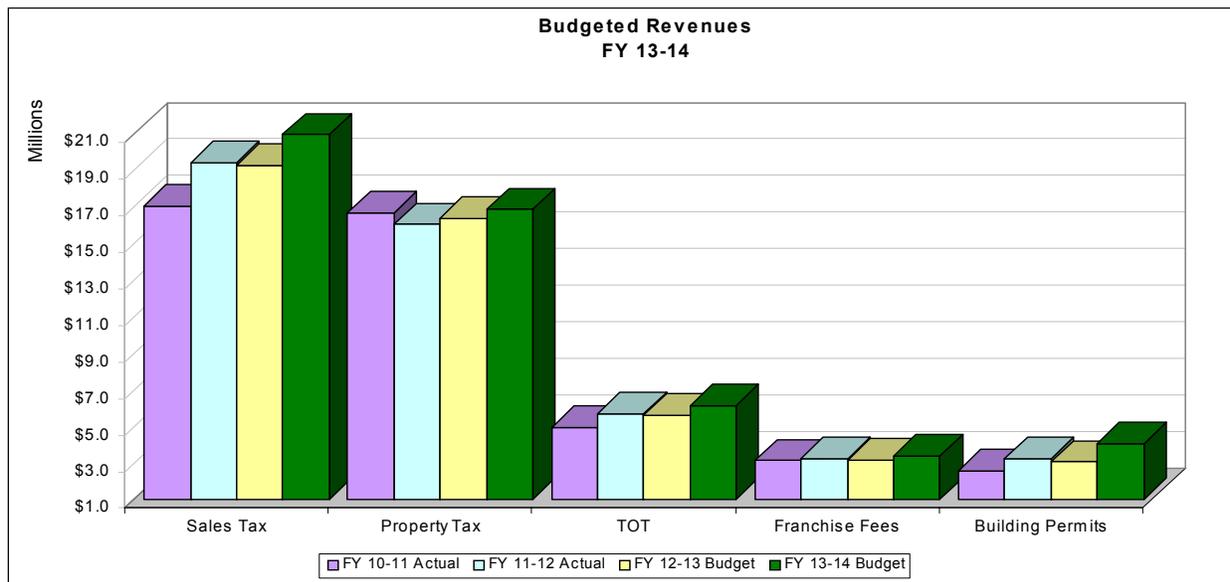
**CPI** Projected to be 2% increase based on the average urban consumer Consumer Price Index in the last 20 years for the San Francisco-Oakland-San Jose Metropolitan Areas.

**Sales Tax** Sales tax revenues for FY 12-13 are revised to be more than budget by 6.6% or \$1.28 million. In addition to increased sales in general retail and auto sales, there is an overall recovery in all other economic categories such as business to business and construction. Staff's assumption for FY 13-14 sales tax revenue is a 2% increase from the FY 12-13 revised estimate. After a significant increase of 6.6% over budget in FY12-13, the projection for FY13-14 is modest and is consistent with the projection of the City's sales tax consultant.

**Property Tax** Property tax revenues are estimated to increase by 2.2% in FY 13-14 from the FY 12-13 revised revenue. The increase is partially attributed to the inflation adjustment allowed by Proposition 13 at the lower of 2% or California Consumer Price Index and partially due to improvement in the housing market thus adding to the assessed valuation of the secured properties. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining tax increment revenue after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. The City is one of the taxing entities that will receive its estimated share of approximately \$2.4 million in FY 13-14.

**Transient Occupancy Tax (TOT)** Transient Occupancy tax revenue is projected to increase \$518,000 or 9.3% from the FY 12-13 budget but is only a 2.2% increase from the FY 12-13 revised projection of \$5.96 million. The hotel industry in the local area has been depressed for the last few years. It has finally stabilized and began to recover in FY 10-11 and it is anticipated that FY 13-14 will continue with a modest increase.

**Building Permits** Building Permit and Inspection revenue for FY 12-13 is estimated to be \$1.16 million more than budget due to increased development activities in the Transit Area. In FY 13-14, building permit and inspection revenues are projected to be \$5.25 million, a 3% increase from the FY 12-13 revised revenue. It is anticipated that residential developments will continue at a very high level. The projection is based on the number of recent applications submitted and the potential commencement dates of the construction. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.



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**Revenues by Fund (Summary)**

	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
100 General Fund	88,380,478	24,550,813	60,272,265	65,366,939
101 RPTTF Distribution Fund	0	4,931,885	1,300,000	0
102 Measure I TOT	634,038	(557,815)	1,003,100	954,000
105 Abandon Veh Abatement	41,084	42,890	40,000	46,000
140 Housing Administration	0	266,629	0	0
150 Redevelopment Administration	0	378,795	0	0
151 Redevelopment CIP	0	58,078	0	0
160 Housing Administration	0	4,544	0	0
211 H-Hetch Ground Lease	64,279	34,802	38,075	31,784
212 Public Art Fund-Restricted	114,642	(998,703)	6,000	1,000
213 Public Art Fund-Nonrestricted	2,251	1,589	1,000	1,000
221 Gas Tax Fund	1,582,240	644,237	(278,000)	392,000
235 95-1 Lighting/Lscape Dist	277,244	80,806	278,000	(64,000)
236 98-1 Lighting/Lscape Dist	36,071	36,033	35,800	(22,000)
237 05 Community Fclty Dist	265,157	385,539	381,000	402,000
250 HCD Fund	432,148	469,357	391,000	391,000
251 HCD Loan	71,004	175,444	0	0
261 Supplemental Law Enforcement	76,043	59,388	1,000	1,000
262 State Asset Seizure	8,258	1,903	1,000	1,000
263 Federal Asset Seizure	1,982	1,063	1,000	1,000
267 Justice Assistance Grant	22,889	13,899	0	0
268 Justice Assistance Grant 2009	6,421	(17)	0	0
280 Solid Waste Services	673,816	654,624	621,528	599,083
290 Housing Reserve Fund	(3,815,267)	(19,895,170)	0	0
295 Housing Authority	0	22,265,401	516,000	6,000
310 Street Fund	(1,249,573)	(697,452)	(18,000)	(267,000)
311 Street CIP	5,515,334	4,850,633	1,860,000	2,510,662
312 Traffic Impact Fee	(1,171,768)	(113,544)	220,000	18,000
313 Traffic Congestion Relief	(1,081,673)	(1,742)	0	5,100
314 Vehicle Registration Fee	0	0	0	(300,000)
320 Park Improvement Fund	(2,589,873)	4,757,174	3,274,000	(1,705,000)
321 Park Improvement CIP	2,689,930	897,024	750,000	2,100,000
322 Midtown Park Fund	2,753,383	52,768	1,028,000	(324,000)
330 General Government	11,409	23,126	5,000	(997,976)
331 General Government CIP	0	2,006,066	0	4,384,288
340 Storm Drain Development	(37,507)	(202,748)	(95,000)	6,000
341 Storm Drain CIP	85,000	358,319	550,000	0
350 Transit Area Impact Fee Fund	(2,549,174)	33,958	2,015,000	(986,000)
351 Transit Area Impact Fee CIP Fund	2,550,000	5,000	0	1,000,000
390 RDA Project Fund	(28,003,788)	44,527,694	0	0
391 Redevelopment CIP	(589,001)	1,056,185	0	0
392 97 RDA TABs	(446,521)	0	0	0
395 2003 RDA TABs	(11,098,149)	0	0	0
400 Water M & O Fund	13,602,951	14,376,804	14,527,923	18,571,821
401 Water CIP	1,215,000	2,075,000	2,775,000	1,400,000
402 Water Line Extension Fund	(2,593)	491,658	516,000	(333,000)
405 Water Infrastructure Replmnt	(2,356)	0	0	0

**Financial Information** Revenues by Fund (Summary)

	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Approved 2013-14</b>
450 Sewer M & O Fund	10,037,447	9,654,890	6,841,441	5,845,349
451 Sewer CIP	400,580	1,553,598	6,550,000	7,500,000
452 Treatment Plant Construction	218,669	1,217,442	822,000	(2,354,000)
453 Sewer 2006 COPS	(1,667)	0	0	0
455 Sewer Infrastructure Replmnt	(246,153)	54,391	22,000	21,000
500 Equipment Mgmt Fund	2,542,345	2,411,855	335,649	1,683,322
505 Information Tec Replmt	23,099	883	1,000	301,000
506 Permit Automation Fund	64,928	295,991	100,000	200,000
<b>TOTAL</b>	<b>81,515,056</b>	<b>123,290,987</b>	<b>106,688,781</b>	<b>106,387,372</b>

**Financial Information** Revenues by Fund (Detail)

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>GENERAL FUND (100)</b>				
<b>PROPERTY TAXES</b>				
3010 Property Taxes, Current	16,540,772	15,693,743	16,152,000	16,486,000
3030 Property Taxes, Supplement	110,864	331,707	207,000	340,000
<b>sub-total</b>	<b>16,651,636</b>	<b>16,025,450</b>	<b>16,359,000</b>	<b>16,826,000</b>
<b>TAXES OTHER THAN PROPERTY</b>				
3110 Sales and Use Tax	16,994,002	19,403,068	19,230,000	20,913,000
3120 Real Estate Transfer Tax	250,691	369,464	281,000	359,000
3131 Electric Franchise	1,149,409	1,208,633	1,173,000	1,196,000
3132 Gas Franchise	152,127	162,797	155,000	158,000
3133 Garbage Franchise-Commercial	906,412	891,787	900,000	974,000
3134 Garbage Franchise-NonCommercial	445,791	448,536	434,000	467,000
3137 Nitrogen Gas Franchise	46,485	45,981	43,000	46,000
3138 CATV Franchise	382,309	460,398	416,000	500,000
3140 Business License Tax	311,451	299,073	323,000	300,000
3150 Hotel/Motel Tax	4,896,058	5,650,430	5,575,000	6,093,000
<b>sub-total</b>	<b>25,534,735</b>	<b>28,940,166</b>	<b>28,530,000</b>	<b>31,006,000</b>
<b>LICENSES AND PERMITS</b>				
3210 Building Permits	2,557,237	3,220,061	3,029,000	4,011,000
3220 Fire Permits	629,992	732,616	614,000	894,000
3240 Life Safety Annual Permits	254,241	279,748	260,000	275,000
3250 Fire Inspections	44,187	52,624	35,000	73,000
<b>sub-total</b>	<b>3,485,657</b>	<b>4,285,048</b>	<b>3,938,000</b>	<b>5,253,000</b>
<b>FINES AND FORFEITS</b>				
3301 Vehicle Code Fines	292,500	243,904	268,000	190,000
3302 Other Court Fines	355,973	295,362	242,000	202,000
3305 Booking Fees	4,022	1,983	2,000	6,000
3306 NBO Violation Fees	3,700	950	3,000	4,000
3307 Impound Fees	118,607	91,420	92,000	67,000
3308 Animal Violations	9,660	6,842	9,000	9,000
3309 False Alarm Fee	38,900	30,150	19,000	8,000
<b>sub-total</b>	<b>823,362</b>	<b>670,610</b>	<b>635,000</b>	<b>486,000</b>
<b>USE OF MONEY AND PROPERTY</b>				
3431 Pooled Investment Interest (Nonalloc)	79,883	77,595	0	0
3433 Other Interest Income	(192,483)	(165,119)	13,000	0
3434 Pooled Interest Allocation	354,199	284,171	114,000	145,000
<b>sub-total</b>	<b>241,599</b>	<b>196,646</b>	<b>127,000</b>	<b>145,000</b>
<b>INTERGOVERNMENTAL</b>				
3511 Motor Vehicle In Lieu Tax	323,360	35,398	0	37,000
3521 Homeowners Property Tax Relief	129,318	121,822	128,000	122,000
3556 Federal Contributions-Recreation	19,319	5,000	5,000	5,000
3557 Federal Contributions-Police	30,882	31,816	0	0
3558 Federal Contributions-Fire	153,039	20,137	0	0
3562 POST Grant	6,333	11,445	6,000	0
3567 State Contributions-Police	21,258	7,797	0	0
3568 State Contributions-Fire	7,468	5,551	0	0
3569 State Contributions-Planning	12,653	(6,327)	0	0
3575 County Cont-Public Works	353,964	484,235	370,000	360,000

**Financial Information** Revenues by Fund (Detail)

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
3576 County Contributions-Recreation	83,969	84,265	86,000	86,000
3581 Other Restricted Grants-General Gov't	9,552	2,095	0	0
3582 SB90 Grant	48,285	21,755	20,000	23,000
3585 Other Res Grant-Public Works	37,500	627,325	0	300,000
3586 Other Restricted Grants-Recreation	0	5,825	0	0
3587 Other Restricted Grants-Police	0	22,983	0	0
<b>sub-total</b>	1,236,900	1,481,124	615,000	933,000
<b>CHARGES FOR CURRENT SERVICES</b>				
3601 General Government Service Charges	134,525	183,109	155,000	152,000
3602 Sales of Maps and Documents-Gen Gov't	297	97	0	0
3603 Rents, Leases and Concessions-Gen Gov't	369,988	238,716	291,000	106,000
3604 B L Processing Fee	146,936	92,938	85,000	100,000
3608 PJ Legal Overhead Charge	17,201	6,396	8,000	0
3609 PJ Legal Reimbursement	7,475	2,825	4,000	0
3611 PJ Overhead Charges-PW/E	301,289	720,087	480,000	0
3612 PJ Labor Reimbursement-PW/E	124,576	320,576	180,000	1,020,000
3613 PJ Vendor Reimbursement-PW/E	1,342	52,691	20,000	450,000
3615 Public Works and Engr Fees	659	959	0	0
3616 Engineering Plan Check Fee	7,866	9,903	10,000	10,000
3617 Planning Fees	760	1,130	1,000	0
3618 Sales of Maps and Doc-PW/Engr	1,547	1,395	1,000	1,000
3619 Rent,Lease & Concession-PW/Eng	28,000	28,000	25,000	25,000
3631 PJ Overhead Charges - Fire	6,167	16,521	5,000	5,000
3632 PJ Labor Reimbursement - Fire	2,980	8,659	3,000	3,000
3633 Fire Cost Recovery	5,054	1,661	0	0
3634 Unwanted Alarms-Fire	60,600	21,900	10,000	3,000
3637 Fire Service Charges	207,068	175,982	216,000	216,000
3638 Sale of Maps & Documents-Fire	15	0	0	0
3639 Fire Electroinc Archieve Charge	7,236	7,557	8,000	8,000
3641 Police Service Charges	404,195	433,451	627,000	592,000
3643 Fingerprints	1,409	1,881	2,000	2,000
3644 Sales of Maps & Documents-Police	11,575	12,067	12,000	12,000
3645 Police Cost Recovery	1,202	733	0	1,000
3646 Rents, Leases & Concessions-Police	18,000	11,000	7,000	6,000
3647 DUI-Police Cost Recovery	16,556	10,110	9,000	8,000
3648 PJ Overhead Charges-Police	0	1,128	0	0
3649 PJ Labor Reimb - Police	0	498	0	0
3651 Rents, Leases & Concessions-Recreation	146,582	212,845	145,000	200,000
3652 Recreation Fees	1,487,638	1,593,245	1,809,000	1,800,000
3653 Senior Nutrition Fees	24,158	25,930	24,000	24,000
3655 Sales of Merchandise Recreation	3,260	566	0	0
3662 Records Retention Fee-Building	36,950	49,936	30,000	40,000
3663 Building Service Charges	2,313	401	0	0
3665 PJ Overhead Charges-Building	137,126	90,620	120,000	232,000
3666 PJ Labor Reimbursement-Building	62,117	43,568	45,000	103,000
3667 Building State Mandated Standard Fee	5,639	7,277	5,000	7,000
3672 Public Works Cost Recovery	98,793	16,391	10,000	10,000
3681 PJ Overhead Charge-Planning	94,811	131,448	320,000	217,000
3682 PJ Labor Reimbursement-Planning	42,154	58,060	120,000	96,000
3683 PJ Vendor Reimbursement-Planning	(26,352)	21,462	22,000	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
3685 Housing & Neighborhood Services	14,310	13,800	14,000	0
3686 Planning Plan Check Fee	0	3,328	0	0
3687 Animal Control Services Fee	0	0	28,000	0
3691 Fire GIS Mapping	286	143	0	0
3692 Fire Automation Fee	13,291	18,331	15,000	17,000
<b>sub-total</b>	<u>4,027,594</u>	<u>4,649,319</u>	<u>4,866,000</u>	<u>5,466,000</u>
<b>OTHER REVENUE</b>				
3710 Development	29,350	36,450	30,000	22,000
3730 Recycling	1,443	1,320	0	0
3740 Reimbursements	2,000,024	3,600,000	0	0
3750 Donations	5,651	31,143	50,000	0
3770 Sale of Property, Plant and Equipment	5,423	8,723	3,000	5,000
3790 Miscellaneous Other Revenue	82,649	82,269	76,000	77,000
<b>sub-total</b>	<u>2,124,541</u>	<u>3,759,905</u>	<u>159,000</u>	<u>104,000</u>
<b>OPERATING TRANSFERS IN</b>				
3806 Op Trfs in from Solid Waste Service	134,180	127,512	242,472	256,917
3807 Op Trfs in from Solid Waste Reduction	126,017	112,535	0	0
3808 Op Trfs in from Housing Reserves	1,065,811	1,032,754	0	0
3811 Op Trfs in from RDA	4,630,655	2,274,098	0	0
3812 Op Trfs in from Water Fund	1,788,178	1,703,840	1,706,077	1,829,179
3814 Op Trfs in from Recycled Water Fund	131,010	151,102	0	0
3815 Op Trfs in from Sewer Fund	1,470,992	1,434,209	1,358,559	1,572,651
3817 Op Trfs in from Equipment Replacement	0	0	1,306,332	0
3819 Op Trfs in from Other	2,715	2,711	1,925	2,216
3826 Op Trfs in from Measure I TOT Fund	0	0	427,900	0
3838 Appn Transfers in from Housing Reserve	15,773,898	0	0	0
3841 Appn Transfers in from Redevelopment	1,792,200	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	350,000	0	0	1,486,976
<b>sub-total</b>	<u>27,265,656</u>	<u>6,838,761</u>	<u>5,043,265</u>	<u>5,147,939</u>
<b>OPERATING TRANSFERS OUT</b>				
3938 Appn Trfs out to Housing Reserve	0	(374,253)	0	0
3941 Appn Transfers out to RDA	0	(1,801,218)	0	0
3958 Appn Trfs Out to Housing Authority	0	(15,399,645)	0	0
3981 Contributions-Proprietary Fund	6,988,800	0	0	0
3985 Extraordinary Item	0	(20,455,191)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(4,265,910)	0	0
<b>sub-total</b>	<u>6,988,800</u>	<u>(42,296,216)</u>	<u>0</u>	<u>0</u>
<b>TOTAL (100)</b>	<u><u>88,380,478</u></u>	<u><u>24,550,813</u></u>	<u><u>60,272,265</u></u>	<u><u>65,366,939</u></u>
<b>RPTTF DISTRIBUTION FUND (101)</b>				
3010 Property Taxes, Current	0	1,331,885	1,300,000	2,377,000
3899 Op Trfs in from Subsidiary CIP Fund	0	3,600,000	0	0
3922 Op Trfs Out To the General Government Fund	0	0	0	(890,024)
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(1,486,976)
<b>TOTAL (101)</b>	<u>0</u>	<u>4,931,885</u>	<u>1,300,000</u>	<u>0</u>
<b>MEASURE I TOT (102)</b>				
3150 Hotel/Motel Tax	1,228,124	1,416,983	1,395,000	1,523,000
3431 Pooled Investment Interest (Nonalloc)	451	(10,718)	0	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
3434 Pooled Interest Allocation	105,463	65,920	36,000	31,000
3819 Op Trfs in from Other	150,000	0	0	0
3901 Op Trfs Out To the General Fund	0	0	(427,900)	0
3922 Op Trfs Out To the General Government Fund	0	(1,500,000)	0	(600,000)
3939 Appn Trfs out to Street Fund	0	(530,000)	0	0
3956 Appn Trfs Out to Measure I TOT Fund	(500,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(350,000)	0	0	0
<b>TOTAL (102)</b>	<b>634,038</b>	<b>(557,815)</b>	<b>1,003,100</b>	<b>954,000</b>
<b>ABANDON VEH ABATEMENT (105)</b>				
3577 County Contributions-Police	41,084	31,269	40,000	22,500
3579 County Contribution - Planning	0	0	0	23,500
3899 Op Trfs in from Subsidiary CIP Fund	0	11,621	0	0
<b>TOTAL (105)</b>	<b>41,084</b>	<b>42,890</b>	<b>40,000</b>	<b>46,000</b>
<b>HOUSING ADMINISTRATION (140)</b>				
3899 Op Trfs in from Subsidiary CIP Fund	0	266,629	0	0
<b>TOTAL (140)</b>	<b>0</b>	<b>266,629</b>	<b>0</b>	<b>0</b>
<b>REDEVELOPMENT ADMINISTRATION (150)</b>				
3899 Op Trfs in from Subsidiary CIP Fund	0	378,795	0	0
<b>TOTAL (150)</b>	<b>0</b>	<b>378,795</b>	<b>0</b>	<b>0</b>
<b>REDEVELOPMENT CIP (151)</b>				
3585 Other Res Grant-Public Works	0	49,214	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	8,865	0	0
<b>TOTAL (151)</b>	<b>0</b>	<b>58,078</b>	<b>0</b>	<b>0</b>
<b>HOUSING ADMINISTRATION (160)</b>				
3603 Rents, Leases and Concessions-Gen Gov't	0	79,237	0	0
3958 Appn Trfs Out to Housing Authority	0	(74,693)	0	0
<b>TOTAL (160)</b>	<b>0</b>	<b>4,544</b>	<b>0</b>	<b>0</b>
<b>H-HETCH GROUND LEASE (211)</b>				
3431 Pooled Investment Interest (Nonalloc)	39,941	38,967	40,000	34,000
3433 Other Interest Income	26,981	(1,644)	0	0
3434 Pooled Interest Allocation	71	191	0	0
3901 Op Trfs Out To the General Fund	(2,715)	(2,711)	(1,925)	(2,216)
<b>TOTAL (211)</b>	<b>64,279</b>	<b>34,802</b>	<b>38,075</b>	<b>31,784</b>
<b>PUBLIC ART FUND-RESTRICTED (212)</b>				
3431 Pooled Investment Interest (Nonalloc)	(893)	(3,640)	0	0
3433 Other Interest Income	(9,460)	(1,624)	0	0
3434 Pooled Interest Allocation	17,883	6,339	6,000	1,000
3602 Sales of Maps and Documents-Gen Gov't	0	222	0	0
3811 Op Trfs in from RDA	107,112	0	0	0
3909 Op Trfs Out To the Street Improvement Fund	0	(1,000,000)	0	0
<b>TOTAL (212)</b>	<b>114,642</b>	<b>(998,703)</b>	<b>6,000</b>	<b>1,000</b>
<b>PUBLIC ART FUND-NONRESTRICTED (213)</b>				
3431 Pooled Investment Interest (Nonalloc)	(292)	(176)	0	0
3434 Pooled Interest Allocation	2,543	1,766	1,000	1,000
<b>TOTAL (213)</b>	<b>2,251</b>	<b>1,589</b>	<b>1,000</b>	<b>1,000</b>

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>GAS TAX FUND (221)</b>				
3431 Pooled Investment Interest (Nonalloc)	848	5,075	0	0
3434 Pooled Interest Allocation	9,988	26,345	13,000	13,000
3543 Sec 2103-Gas Tax	572,138	1,067,479	0	1,013,000
3545 Sec 2105-Gas Tax	334,027	358,627	386,000	334,000
3546 Sec 2106-Gas Tax	219,825	259,561	254,000	226,000
3547 Sec 2107-Gas Tax	445,414	512,150	515,000	498,000
3548 Sec 2107.5-Gas Tax	0	15,000	7,000	8,000
3909 Op Trfs Out To the Street Improvement Fund	0	(1,500,000)	(1,453,000)	(600,000)
3922 Op Trfs Out To the General Government Fund	0	0	0	(1,100,000)
3939 Appn Trfs out to Street Fund	0	(100,000)	0	0
<b>TOTAL (221)</b>	1,582,240	644,237	(278,000)	392,000
<b>95-1 LIGHTING/LSCAPE DIST (235)</b>				
3431 Pooled Investment Interest (Nonalloc)	(331)	(438)	0	0
3433 Other Interest Income	351	233	0	0
3434 Pooled Interest Allocation	5,213	3,248	2,000	1,000
3720 Special Assessments	272,012	277,763	276,000	285,000
3922 Op Trfs Out To the General Government Fund	0	(200,000)	0	(350,000)
<b>TOTAL (235)</b>	277,244	80,806	278,000	(64,000)
<b>98-1 LIGHTING/LSCAPE DIST (236)</b>				
3431 Pooled Investment Interest (Nonalloc)	(40)	23	0	0
3433 Other Interest Income	46	30	0	0
3434 Pooled Interest Allocation	577	492	0	0
3720 Special Assessments	35,488	35,488	35,800	38,000
3922 Op Trfs Out To the General Government Fund	0	0	0	(60,000)
<b>TOTAL (236)</b>	36,071	36,033	35,800	(22,000)
<b>05 COMMUNITY FCLTY DIST (237)</b>				
3431 Pooled Investment Interest (Nonalloc)	244	676	0	0
3433 Other Interest Income	350	255	0	0
3434 Pooled Interest Allocation	1,516	2,549	1,000	2,000
3720 Special Assessments	299,995	382,059	380,000	400,000
3911 Op Trfs Out To the RDA Project Fund	(36,947)	0	0	0
<b>TOTAL (237)</b>	265,157	385,539	381,000	402,000
<b>HCD FUND (250)</b>				
3555 Federal Contri-Public Works	412,829	0	391,000	0
3556 Federal Contributions-Recreation	19,319	0	0	0
3559 Federal Contributions-Planning	0	469,357	0	391,000
<b>TOTAL (250)</b>	432,148	469,357	391,000	391,000
<b>HCD LOAN (251)</b>				
3431 Pooled Investment Interest (Nonalloc)	0	274	0	0
3433 Other Interest Income	2,634	2,376	0	0
3559 Federal Contributions-Planning	0	6,694	0	0
3740 Reimbursements	68,370	166,100	0	0
<b>TOTAL (251)</b>	71,004	175,444	0	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>SUPPLEMENTAL LAW ENFORCEMENT (261)</b>				
3431 Pooled Investment Interest (Nonalloc)	(274)	53	0	0
3434 Pooled Interest Allocation	1,028	1,155	1,000	1,000
3567 State Contributions-Police	75,289	58,180	0	0
<b>TOTAL (261)</b>	<b>76,043</b>	<b>59,388</b>	<b>1,000</b>	<b>1,000</b>
<b>STATE ASSET SEIZURE (262)</b>				
3431 Pooled Investment Interest (Nonalloc)	(93)	(121)	0	0
3434 Pooled Interest Allocation	1,561	1,022	1,000	1,000
3567 State Contributions-Police	6,790	1,002	0	0
<b>TOTAL (262)</b>	<b>8,258</b>	<b>1,903</b>	<b>1,000</b>	<b>1,000</b>
<b>FEDERAL ASSET SEIZURE (263)</b>				
3431 Pooled Investment Interest (Nonalloc)	(248)	(236)	0	0
3434 Pooled Interest Allocation	2,230	1,299	1,000	1,000
<b>TOTAL (263)</b>	<b>1,982</b>	<b>1,063</b>	<b>1,000</b>	<b>1,000</b>
<b>JUSTICE ASSISTANCE GRANT (267)</b>				
3431 Pooled Investment Interest (Nonalloc)	(24)	(12)	0	0
3434 Pooled Interest Allocation	53	0	0	0
3557 Federal Contributions-Police	22,861	13,911	0	0
<b>TOTAL (267)</b>	<b>22,889</b>	<b>13,899</b>	<b>0</b>	<b>0</b>
<b>JUSTICE ASSISTANCE GRANT 2009 (268)</b>				
3431 Pooled Investment Interest (Nonalloc)	(183)	(17)	0	0
3434 Pooled Interest Allocation	74	0	0	0
3557 Federal Contributions-Police	6,530	0	0	0
<b>TOTAL (268)</b>	<b>6,421</b>	<b>(17)</b>	<b>0</b>	<b>0</b>
<b>SOLID WASTE SERVICES (280)</b>				
3135 Solid Waste-Community Relations	155,460	178,386	153,000	153,000
3136 Solid Waste-HHW-Contract & Public	255,706	280,024	257,000	257,000
3139 County-wide AB 939 Fee	140,816	130,211	127,000	127,000
3431 Pooled Investment Interest (Nonalloc)	(1,772)	(695)	0	0
3434 Pooled Interest Allocation	19,493	15,574	8,000	9,000
3565 State Contri-Public Works	0	37,329	19,000	0
3615 Public Works and Engr Fees	110,784	110,752	110,000	110,000
3671 Public Works Service Charges	250,477	195,581	190,000	200,000
3790 Miscellaneous Other Revenue	3,050	5,939	0	0
3811 Op Trfs in from RDA	0	1,569	0	0
3901 Op Trfs Out To the General Fund	(260,197)	(240,047)	(242,472)	(256,917)
3922 Op Trfs Out To the General Government Fund	0	(60,000)	0	0
<b>TOTAL (280)</b>	<b>673,816</b>	<b>654,624</b>	<b>621,528</b>	<b>599,083</b>
<b>HOUSING RESERVE FUND (290)</b>				
3431 Pooled Investment Interest (Nonalloc)	(20,595)	(40,049)	0	0
3433 Other Interest Income	173,740	51,573	0	0
3434 Pooled Interest Allocation	177,580	93,292	0	0
3601 General Government Service Charges	0	60	0	0
3603 Rents, Leases and Concessions-Gen Gov't	46,848	39,372	0	0
3740 Reimbursements	940,606	56,724	0	0
3760 Developer Contribution	425,000	0	0	0

**Financial Information Revenues by Fund (Detail)**

<b>Description</b>	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Approved 2013-14</b>
3790 Miscellaneous Other Revenue	270	246	0	0
3811 Op Trfs in from RDA	11,668,669	0	0	0
3831 Appn Transfers in from General Fund	0	374,253	0	0
3901 Op Trfs Out To the General Fund	(1,065,811)	(1,032,754)	0	0
3911 Op Trfs Out To the RDA Project Fund	(387,677)	(4,255,330)	0	0
3931 Appn Trfs out to General Fund	(15,773,898)	0	0	0
3949 Other Appn Transfers Out	0	(6,582,557)	0	0
3985 Extraordinary Item	0	(8,600,000)	0	0
<b>TOTAL (290)</b>	<b>(3,815,267)</b>	<b>(19,895,170)</b>	<b>0</b>	<b>0</b>
<b>HOUSING AUTHORITY (295)</b>				
3431 Pooled Investment Interest (Nonalloc)	0	1,555	0	0
3433 Other Interest Income	0	294,972	364,000	0
3434 Pooled Interest Allocation	0	10,303	0	6,000
3603 Rents, Leases and Concessions-Gen Gov't	0	85,596	67,000	0
3740 Reimbursements	0	398,636	85,000	0
3831 Appn Transfers in from General Fund	0	15,474,338	0	0
3855 Appn Tfr in from ECO Dev Corp	0	4,200,000	0	0
3985 Extraordinary Item	0	1,800,000	0	0
<b>TOTAL (295)</b>	<b>0</b>	<b>22,265,401</b>	<b>516,000</b>	<b>6,000</b>
<b>STREET FUND (310)</b>				
3431 Pooled Investment Interest (Nonalloc)	(11,078)	(8,693)	0	0
3433 Other Interest Income	(86,857)	(52,059)	0	0
3434 Pooled Interest Allocation	115,944	78,660	42,000	33,000
3555 Federal Contri-Public Works	8,323	(8,323)	0	0
3790 Miscellaneous Other Revenue	1,500	0	0	0
3811 Op Trfs in from RDA	244,439	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	1,093,661	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(318,886)	(4,237)	0	0
3914 Op Trfs Out To the Recycled Water Fund	(620)	0	0	0
3954 Appn Trfs Out Transit Area Fund	0	(5,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,296,000)	(697,800)	(60,000)	(300,000)
<b>TOTAL (310)</b>	<b>(1,249,573)</b>	<b>(697,452)</b>	<b>(18,000)</b>	<b>(267,000)</b>
<b>STREET CIP (311)</b>				
3511 Motor Vehicle In Lieu Tax	0	0	347,000	0
3555 Federal Contri-Public Works	754,359	10,585	0	1,650,000
3565 State Contri-Public Works	695,847	158,287	0	(34,238)
3575 County Cont-Public Works	0	228,636	0	0
3802 Op Trfs in from Gas Tax Fund	0	750,000	1,453,000	600,000
3803 Op Trfs in from Public Art Fund	0	1,000,000	0	0
3825 Op Trfs In from Eco Dev Corp	0	65,351	0	0
3832 Appn Transfers in from Gas Tax	0	1,250,000	0	0
3842 Appn Transfers in from Water Fund	0	18,500	0	0
3855 Appn Tfr in from ECO Dev Corp	0	129,461	0	0
3856 Appn Trfs in from Measure I TOT	500,000	130,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	4,082,877	1,109,814	60,000	300,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(517,748)	0	0	(5,100)
<b>TOTAL (311)</b>	<b>5,515,334</b>	<b>4,850,633</b>	<b>1,860,000</b>	<b>2,510,662</b>

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>TRAFFIC IMPACT FEE (312)</b>				
3431 Pooled Investment Interest (Nonalloc)	4,268	(6,570)	0	0
3434 Pooled Interest Allocation	64,091	36,685	20,000	18,000
3710 Development	138,499	268,354	200,000	0
3941 Appn Transfers out to RDA	(104,397)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,274,229)	(412,014)	0	0
<b>TOTAL (312)</b>	<b>(1,171,768)</b>	<b>(113,544)</b>	<b>220,000</b>	<b>18,000</b>
<b>TRAFFIC CONGESTION RELIEF (313)</b>				
3431 Pooled Investment Interest (Nonalloc)	(839)	(1,743)	0	0
3434 Pooled Interest Allocation	7,726	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	5,100
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,088,561)	0	0	0
<b>TOTAL (313)</b>	<b>(1,081,673)</b>	<b>(1,742)</b>	<b>0</b>	<b>5,100</b>
<b>VEHICLE REGISTRATION FEE (314)</b>				
3922 Op Trfs Out To the General Government Fund	0	0	0	(300,000)
<b>TOTAL (314)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(300,000)</b>
<b>PARK IMPROVEMENT FUND (320)</b>				
3431 Pooled Investment Interest (Nonalloc)	(16,152)	6,713	0	0
3433 Other Interest Income	(58,028)	(70,278)	0	0
3434 Pooled Interest Allocation	68,356	65,305	24,000	45,000
3585 Other Res Grant-Public Works	33,951	0	0	0
3710 Development	0	5,420,434	4,000,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	350,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,618,000)	(665,000)	(750,000)	(2,100,000)
<b>TOTAL (320)</b>	<b>(2,589,873)</b>	<b>4,757,174</b>	<b>3,274,000</b>	<b>(1,705,000)</b>
<b>PARK IMPROVEMENT CIP (321)</b>				
3555 Federal Contri-Public Works	10,000	32,024	0	0
3575 County Cont-Public Works	2,430	0	0	0
3576 County Contributions-Recreation	59,500	0	0	0
3855 Appn Tfr in from ECO Dev Corp	0	200,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,618,000	665,000	750,000	2,450,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(350,000)
<b>TOTAL (321)</b>	<b>2,689,930</b>	<b>897,024</b>	<b>750,000</b>	<b>2,100,000</b>
<b>MIDTOWN PARK FUND (322)</b>				
3431 Pooled Investment Interest (Nonalloc)	1,414	(796)	0	0
3434 Pooled Interest Allocation	56,939	53,563	28,000	26,000
3710 Development	2,695,030	0	1,000,000	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(350,000)
<b>TOTAL (322)</b>	<b>2,753,383</b>	<b>52,768</b>	<b>1,028,000</b>	<b>(324,000)</b>
<b>GENERAL GOVERNMENT (330)</b>				
3431 Pooled Investment Interest (Nonalloc)	(1,905)	3,235	0	0
3434 Pooled Interest Allocation	13,314	19,891	5,000	12,000
3801 Op Trfs in from General Fund	0	0	0	890,024
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(1,900,000)
<b>TOTAL (330)</b>	<b>11,409</b>	<b>23,126</b>	<b>5,000</b>	<b>(997,976)</b>

**Financial Information** Revenues by Fund (Detail)

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>GENERAL GOVERNMENT CIP (331)</b>				
3565 State Contri-Public Works	0	0	0	74,288
3575 County Cont-Public Works	0	12,262	0	0
3802 Op Trfs in from Gas Tax Fund	0	0	0	1,100,000
3806 Op Trfs in from Solid Waste Service	0	60,000	0	0
3826 Op Trfs in from Measure I TOT Fund	0	1,500,000	0	600,000
3827 Op Trfs in from LLMD Fund	0	200,000	0	410,000
3829 Op Trfs in from Vehicle Registration Fee	0	0	0	300,000
3855 Appn Tfr in from ECO Dev Corp	0	233,804	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	1,900,000
<b>TOTAL (331)</b>	<b>0</b>	<b>2,006,066</b>	<b>0</b>	<b>4,384,288</b>
<b>STORM DRAIN DEVELOPMENT (340)</b>				
3431 Pooled Investment Interest (Nonalloc)	(1,347)	(713)	0	0
3434 Pooled Interest Allocation	13,840	10,303	5,000	6,000
3710 Development	0	117,391	300,000	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(50,000)	(329,729)	(400,000)	0
<b>TOTAL (340)</b>	<b>(37,507)</b>	<b>(202,748)</b>	<b>(95,000)</b>	<b>6,000</b>
<b>STORM DRAIN CIP (341)</b>				
3760 Developer Contribution	0	0	150,000	0
3811 Op Trfs in from RDA	35,000	0	0	0
3855 Appn Tfr in from ECO Dev Corp	0	28,590	0	0
3899 Op Trfs in from Subsidiary CIP Fund	50,000	329,729	400,000	0
<b>TOTAL (341)</b>	<b>85,000</b>	<b>358,319</b>	<b>550,000</b>	<b>0</b>
<b>TRANSIT AREA IMPACT FEE FUND (350)</b>				
3431 Pooled Investment Interest (Nonalloc)	(6,673)	4,779	0	0
3434 Pooled Interest Allocation	7,499	29,179	15,000	14,000
3710 Development	0	1,743,117	4,500,000	0
3915 Op Trfs Out To the Sewer Fund	0	0	(2,500,000)	0
3955 Appn Trfs Out Eco Dev Corp	0	(1,743,117)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,550,000)	0	0	(1,000,000)
<b>TOTAL (350)</b>	<b>(2,549,174)</b>	<b>33,958</b>	<b>2,015,000</b>	<b>(986,000)</b>
<b>TRANSIT AREA IMPACT FEE CIP FUND (351)</b>				
3839 Appn Transfers in from Street Fund	0	5,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,550,000	0	0	1,000,000
<b>TOTAL (351)</b>	<b>2,550,000</b>	<b>5,000</b>	<b>0</b>	<b>1,000,000</b>
<b>RDA PROJECT FUND (390)</b>				
3010 Property Taxes, Current	35,938,127	16,599,602	0	0
3030 Property Taxes, Supplement	415,610	71,675	0	0
3433 Other Interest Income	31,729	20,500	0	0
3434 Pooled Interest Allocation	359,694	0	0	0
3555 Federal Contri-Public Works	10,636	(10,636)	0	0
3575 County Cont-Public Works	12,750	(12,750)	0	0
3710 Development	7,700	0	0	0
3790 Miscellaneous Other Revenue	3,221	0	0	0
3808 Op Trfs in from Housing Reserves	387,677	4,255,330	0	0
3809 Op Trfs in from Street Fund	318,886	0	0	0
3819 Op Trfs in from Other	36,947	0	0	0

**Financial Information Revenues by Fund (Detail)**

<b>Description</b>	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Approved 2013-14</b>
3831 Appn Transfers in from General Fund	0	1,800,000	0	0
3855 Appn Tfr in from ECO Dev Corp	8,869,988	8,408,476	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,076,350	0	0	0
3901 Op Trfs Out To the General Fund	(4,630,655)	(2,274,098)	0	0
3903 Op Trfs Out To the Public Art Fund	(107,112)	0	0	0
3908 Op Trfs Out To the Housing Reserve Fund	(11,668,669)	0	0	0
3909 Op Trfs Out To the Street Improvement Fund	(244,439)	0	0	0
3923 Op Trfs Out To the Storm Drain Fund	(35,000)	0	0	0
3931 Appn Trfs out to General Fund	(1,792,200)	0	0	0
3949 Other Appn Transfers Out	0	(3,504,861)	0	0
3981 Contributions-Proprietary Fund	(57,378,527)	0	0	0
3985 Extraordinary Item	0	19,174,455	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(616,500)	0	0	0
<b>TOTAL (390)</b>	<b>(28,003,788)</b>	<b>44,527,694</b>	<b>0</b>	<b>0</b>
<b>REDEVELOPMENT CIP (391)</b>				
3555 Federal Contri-Public Works	0	10,636	0	0
3575 County Cont-Public Works	73,525	43,879	0	0
3585 Other Res Grant-Public Works	15,820	0	0	0
3710 Development	93,467	0	0	0
3831 Appn Transfers in from General Fund	0	1,218	0	0
3839 Appn Transfers in from Street Fund	104,397	0	0	0
3855 Appn Tfr in from ECO Dev Corp	448,941	1,398,258	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,660,985	0	0	0
3919 Op Trfs Out To Other Miscellaneous Funds	(150,000)	0	0	0
3955 Appn Trfs Out Eco Dev Corp	0	(397,806)	0	0
3981 Contributions-Proprietary Fund	(3,759,787)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(76,350)	0	0	0
<b>TOTAL (391)</b>	<b>(589,001)</b>	<b>1,056,185</b>	<b>0</b>	<b>0</b>
<b>97 RDA TABS (392)</b>				
3431 Pooled Investment Interest (Nonalloc)	(3,366)	0	0	0
3434 Pooled Interest Allocation	4,967	0	0	0
3855 Appn Tfr in from ECO Dev Corp	79,823	0	0	0
3981 Contributions-Proprietary Fund	(400,230)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(127,714)	0	0	0
<b>TOTAL (392)</b>	<b>(446,521)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2003 RDA TABS (395)</b>				
3431 Pooled Investment Interest (Nonalloc)	20,708	0	0	0
3434 Pooled Interest Allocation	2,978	0	0	0
3855 Appn Tfr in from ECO Dev Corp	308,698	0	0	0
3915 Op Trfs Out To the Sewer Fund	(15,580)	0	0	0
3981 Contributions-Proprietary Fund	(7,498,182)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(3,916,771)	0	0	0
<b>TOTAL (395)</b>	<b>(11,098,149)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>WATER M &amp; O FUND (400)</b>				
3431 Pooled Investment Interest (Nonalloc)	(34,322)	(23,023)	0	0
3433 Other Interest Income	(128,084)	(81,863)	0	0
3434 Pooled Interest Allocation	266,780	174,053	95,000	86,000
3585 Other Res Grant-Public Works	70,072	43,393	30,000	30,000

**Financial Information** Revenues by Fund (Detail)

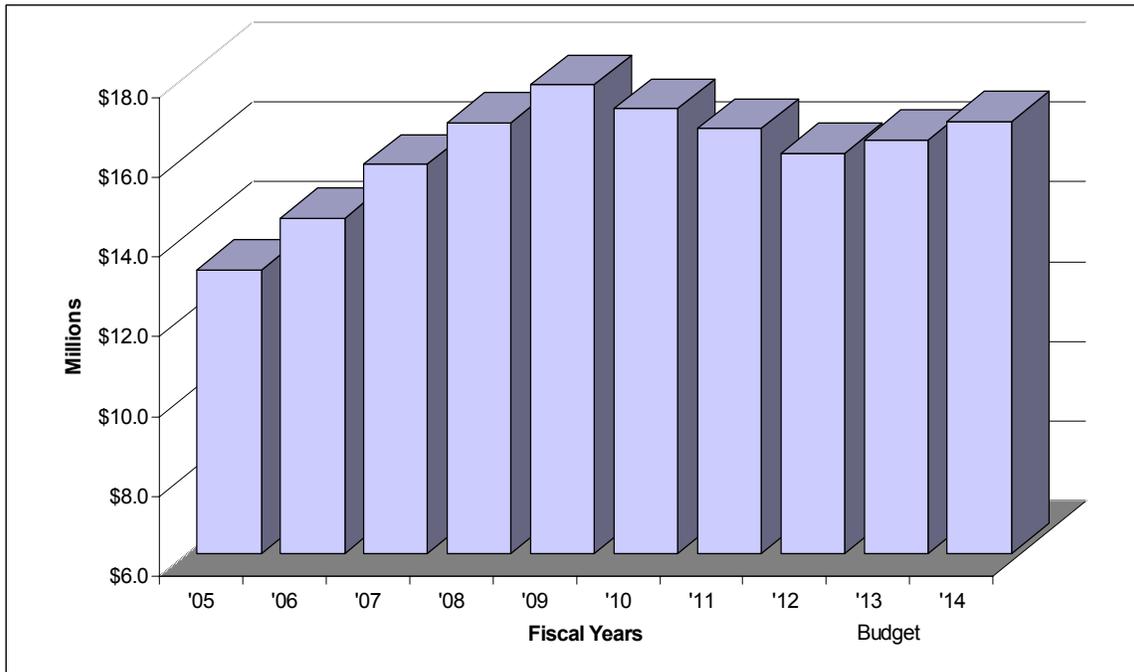
<b>Description</b>	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Approved 2013-14</b>
3622 Water Service Agreements	2,071	45,467	15,000	25,000
3623 Metered Water Sales	16,323,144	17,883,539	18,714,000	21,115,000
3626 Construction Water	24,339	20,292	10,000	50,000
3627 Water & Sewer Reimbursements	405	315	0	0
3672 Public Works Cost Recovery	8,480	8,480	0	0
3790 Miscellaneous Other Revenue	133,634	254,592	145,000	145,000
3809 Op Trfs in from Street Fund	620	0	0	0
3812 Op Trfs in from Water Fund	0	3,222	0	0
3814 Op Trfs in from Recycled Water Fund	879,000	1,137,000	0	0
3901 Op Trfs Out To the General Fund	(1,919,188)	(1,854,942)	(1,706,077)	(1,829,179)
3912 Op Trfs Out To the Water Fund	(1,179,000)	(1,137,000)	0	0
3914 Op Trfs Out To the Recycled Water Fund	0	(3,222)	0	0
3939 Appn Trfs out to Street Fund	0	(18,500)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(845,000)	(2,075,000)	(2,775,000)	(1,050,000)
<b>TOTAL (400)</b>	<b>13,602,951</b>	<b>14,376,804</b>	<b>14,527,923</b>	<b>18,571,821</b>
<b>WATER CIP (401)</b>				
3814 Op Trfs in from Recycled Water Fund	300,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	915,000	2,075,000	2,775,000	1,400,000
<b>TOTAL (401)</b>	<b>1,215,000</b>	<b>2,075,000</b>	<b>2,775,000</b>	<b>1,400,000</b>
<b>WATER LINE EXTENSION FUND (402)</b>				
3431 Pooled Investment Interest (Nonalloc)	(3,566)	438	0	0
3434 Pooled Interest Allocation	9,783	8,789	4,000	7,000
3710 Development	51,570	475,216	512,000	0
3790 Miscellaneous Other Revenue	9,620	7,215	0	10,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(70,000)	0	0	(350,000)
<b>TOTAL (402)</b>	<b>(2,593)</b>	<b>491,658</b>	<b>516,000</b>	<b>(333,000)</b>
<b>WATER INFRASTRUCTURE REPLMNT (405)</b>				
3431 Pooled Investment Interest (Nonalloc)	(2,356)	0	0	0
<b>TOTAL (405)</b>	<b>(2,356)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SEWER M &amp; O FUND (450)</b>				
3431 Pooled Investment Interest (Nonalloc)	(8,467)	201	0	0
3433 Other Interest Income	85,516	106,052	0	0
3434 Pooled Interest Allocation	109,245	87,686	40,000	58,000
3627 Water & Sewer Reimbursements	0	173	0	0
3628 Sewer Service Charges	11,338,337	12,383,188	12,150,000	12,300,000
3790 Miscellaneous Other Revenue	67,143	61,801	60,000	60,000
3899 Op Trfs in from Subsidiary CIP Fund	1,666	0	0	0
3901 Op Trfs Out To the General Fund	(1,470,992)	(1,434,209)	(1,358,559)	(1,572,651)
3999 Op Trfs Out To the Subsidiary CIP Fund	(85,000)	(1,550,000)	(4,050,000)	(5,000,000)
<b>TOTAL (450)</b>	<b>10,037,447</b>	<b>9,654,890</b>	<b>6,841,441</b>	<b>5,845,349</b>
<b>SEWER CIP (451)</b>				
3818 Op Trfs in from Tax Allocation	15,580	0	0	0
3824 Op Trfs in Transit Area Fund	0	0	2,500,000	0
3825 Op Trfs In from Eco Dev Corp	0	3,598	0	0
3899 Op Trfs in from Subsidiary CIP Fund	385,000	1,550,000	4,050,000	7,500,000
<b>TOTAL (451)</b>	<b>400,580</b>	<b>1,553,598</b>	<b>6,550,000</b>	<b>7,500,000</b>

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>TREATMENT PLANT CONSTRUCTION (452)</b>				
3431 Pooled Investment Interest (Nonalloc)	(6,451)	(5,063)	0	0
3434 Pooled Interest Allocation	113,194	85,073	42,000	46,000
3710 Development	111,926	1,137,431	780,000	100,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(2,500,000)
<b>TOTAL (452)</b>	218,669	1,217,442	822,000	(2,354,000)
<b>SEWER 2006 COPS (453)</b>				
3431 Pooled Investment Interest (Nonalloc)	(8)	0	0	0
3434 Pooled Interest Allocation	8	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,666)	0	0	0
<b>TOTAL (453)</b>	(1,667)	0	0	0
<b>SEWER INFRASTRTURE REPLMNT (455)</b>				
3431 Pooled Investment Interest (Nonalloc)	(9,341)	(4,647)	0	0
3434 Pooled Interest Allocation	63,187	42,659	22,000	21,000
3710 Development	0	16,379	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(300,000)	0	0	0
<b>TOTAL (455)</b>	(246,153)	54,391	22,000	21,000
<b>EQUIPMENT MGNT FUND (500)</b>				
3431 Pooled Investment Interest (Nonalloc)	(10,628)	(7,249)	0	0
3433 Other Interest Income	(61,545)	(44,857)	0	0
3434 Pooled Interest Allocation	127,365	92,604	47,000	45,000
3671 Public Works Service Charges	2,225,380	2,118,820	1,594,981	1,938,322
3672 Public Works Cost Recovery	0	37,738	0	0
3770 Sale of Property, Plant and Equipment	9,662	73,702	0	0
3901 Op Trfs Out To the General Fund	0	0	(1,306,332)	0
3981 Contributions-Proprietary Fund	252,111	141,099	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(300,000)
<b>TOTAL (500)</b>	2,542,345	2,411,855	335,649	1,683,322
<b>INFORMATION TEC REPLMT (505)</b>				
3431 Pooled Investment Interest (Nonalloc)	(190)	(1,037)	0	0
3434 Pooled Interest Allocation	5,526	1,920	1,000	1,000
3601 General Government Service Charges	17,763	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	300,000
<b>TOTAL (505)</b>	23,099	883	1,000	301,000
<b>PERMIT AUTOMATION FUND (506)</b>				
3431 Pooled Investment Interest (Nonalloc)	0	126	0	0
3434 Pooled Interest Allocation	0	192	0	0
3601 General Government Service Charges	64,928	295,672	100,000	200,000
<b>TOTAL (506)</b>	64,928	295,991	100,000	200,000
<b>TOTAL</b>	81,515,056	123,290,987	106,688,781	106,387,372

## History of Property Tax Revenue

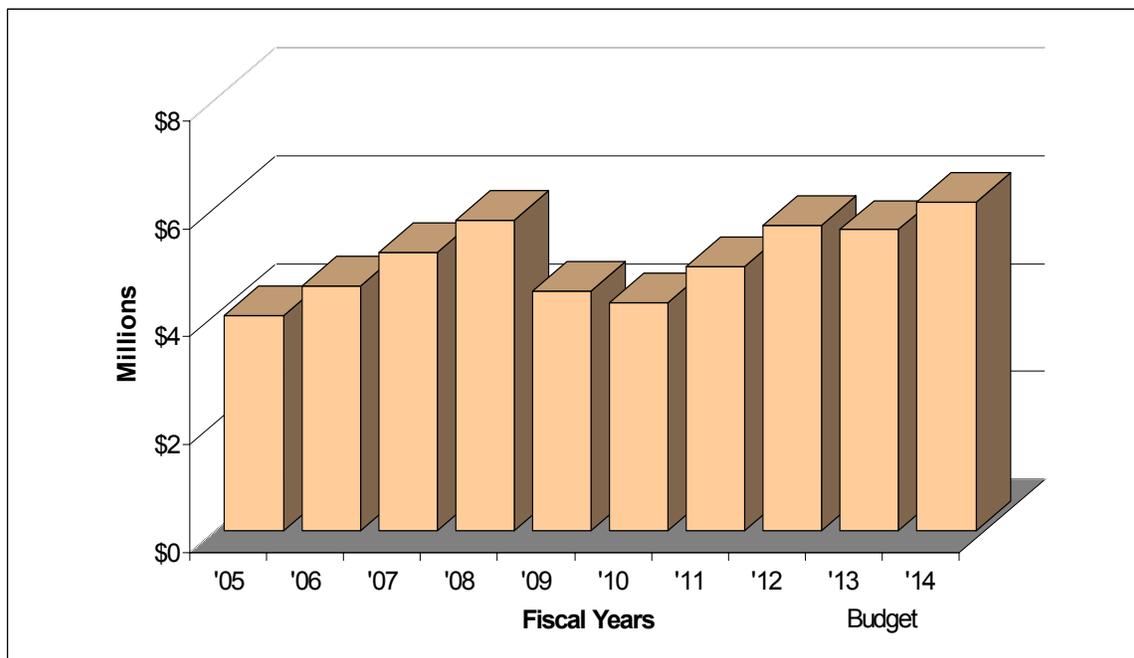
### General Fund 2005 through 2014



Santa Clara County assesses and bills, collects and distributes property tax to the City

## History of Transient Occupancy Tax Revenue

### General Fund 2005 through 2014

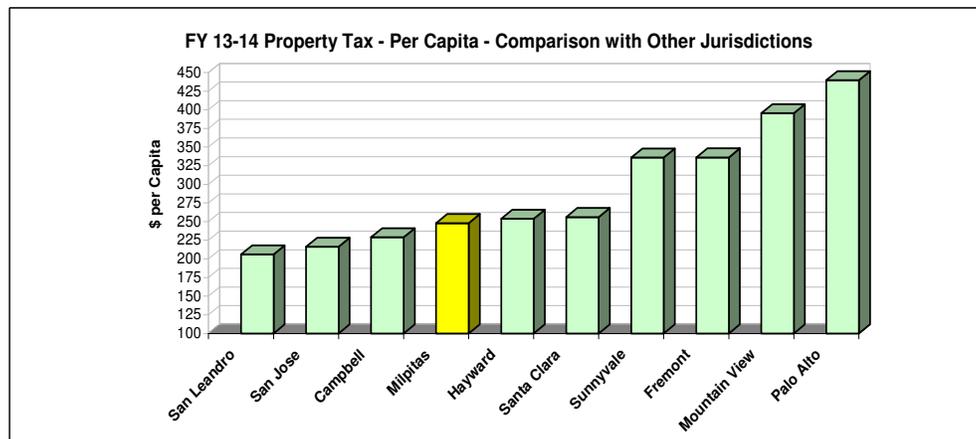


The City of Milpitas Transient Occupancy Rate is currently 10%

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## Property Tax, Comparison with Other Jurisdictions FY 2009-10 through FY 2013-14

City	Actual 2009-10	Actual 2010-11	Actual 2011-12	Budgeted 2012-13	Budgeted 2013-14
<b>Milpitas</b>	\$17,146,081	\$16,651,636	\$16,025,450	\$16,359,000	\$16,826,000
% of General Fund	27%	19%	26%	27%	26%
Per Capita	242.12	232.72	237.50	244.29	247.83
<b>Campbell</b>	\$8,761,391	\$8,506,573	\$8,737,866	\$8,868,000	\$9,585,000
% of General Fund	28%	25%	24%	24%	24%
Per Capita	216.76	208.19	213.85	217.03	228.98
<b>Fremont</b>	\$61,941,000	\$61,739,000	\$64,432,000	\$65,139,000	\$73,913,000
% of General Fund	52%	50%	50%	50%	51%
Per Capita	287.25	288.96	298.70	299.21	336.08
<b>Hayward</b>	\$37,293,000	\$35,726,000	\$35,715,000	\$35,768,000	\$36,588,000
% of General Fund	34%	29%	31%	31%	31%
Per Capita	247.17	247.78	247.70	248.07	253.76
<b>Mountain View</b>	\$26,017,182	\$25,141,878	\$26,216,053	\$27,976,580	\$30,148,400
% of General Fund	30%	29%	28%	30%	31%
Per Capita	348.00	339.45	350.84	371.66	395.34
<b>Palo Alto</b>	\$25,981,000	\$25,688,000	\$26,494,000	\$27,912,000	\$29,102,000
% of General Fund	20%	18%	17%	18%	18%
Per Capita	397.21	398.78	411.29	425.85	439.61
<b>San Jose</b>	\$202,186,036	\$194,814,000	\$201,711,784	\$202,925,000	\$210,000,000
% of General Fund	31%	29%	22%	22%	26%
Per Capita	213.73	203.49	210.38	208.91	216.19
<b>San Leandro</b>	\$16,118,173	\$15,616,380	\$15,789,590	\$17,004,000	\$17,854,200
% of General Fund	22%	21%	20%	23%	22%
Per Capita	195.37	182.67	184.70	197.60	206.01
<b>Santa Clara</b>	\$29,432,789	\$27,945,684	\$28,347,475	\$28,490,000	\$31,233,000
% of General Fund	22%	19%	18%	20%	21%
Per Capita	253.06	236.83	238.59	236.86	256.01
<b>Sunnyvale</b>	\$43,699,859	\$42,356,100	\$43,407,026	\$49,362,825	\$49,025,162
% of General Fund	37%	35%	33%	32%	34%
Per Capita	314.78	301.57	307.64	345.45	335.85

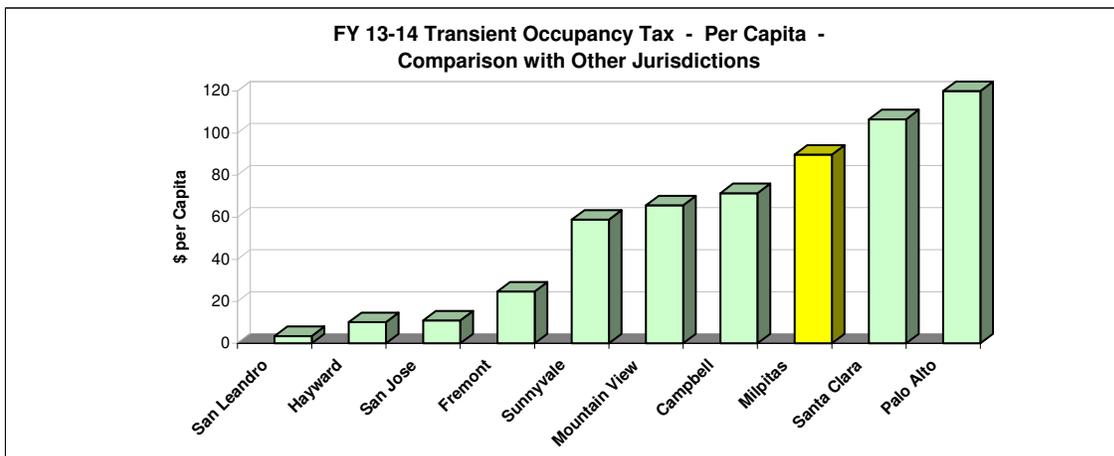


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## Transient Occupancy Tax, Comparison with Other Jurisdictions FY 2009-10 through FY 2013-14

City	Actual 2009-10	Actual 2010-11	Actual 2011-12	Budgeted 2012-13	Budgeted 2013-14
<b>Milpitas</b>	\$4,234,489	\$4,896,058	\$5,650,430	\$5,575,000	\$6,093,000
% of General Fund	7%	6%	9%	9%	9%
Per Capita	59.79	68.43	83.74	83.25	89.74
<b>Campbell</b>	\$1,297,573	\$2,031,585	\$2,587,323	\$2,550,000	\$2,990,000
% of General Fund	4%	6%	7%	7%	8%
Per Capita	32.10	49.72	63.32	62.41	71.43
<b>Fremont</b>	\$2,867,000	\$3,476,000	\$4,133,000	\$4,248,000	\$5,423,000
% of General Fund	2%	3%	3%	3%	4%
Per Capita	13.30	16.27	19.16	19.51	24.66
<b>Hayward</b>	\$1,110,000	\$1,252,797	\$1,466,000	\$1,418,000	\$1,460,000
% of General Fund	1%	1%	1276%	1243%	1254%
Per Capita	7.36	8.69	10.17	9.83	10.13
<b>Mountain View</b>	\$3,266,982	\$3,913,957	\$4,397,450	\$4,508,300	\$5,007,000
% of General Fund	4%	4%	5%	5%	5%
Per Capita	43.70	52.84	58.85	59.89	65.66
<b>Palo Alto</b>	\$6,858,000	\$8,082,000	\$9,664,000	\$10,439,000	\$11,545,000
% of General Fund	5%	6%	6%	7%	7%
Per Capita	104.85	125.46	150.02	159.27	174.40
<b>San Jose</b>	\$6,900,000	\$7,222,000	\$8,983,963	\$10,100,000	\$10,600,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	7.29	7.54	9.37	10.40	10.91
<b>San Leandro</b>	\$304,454	\$351,612	\$388,049	\$300,000	\$303,000
% of General Fund	0.42%	0.48%	0.50%	0.40%	0.38%
Per Capita	3.69	4.11	4.54	3.49	3.50
<b>Santa Clara</b>	\$8,106,319	\$9,805,926	\$11,483,363	\$11,021,000	\$13,000,000
% of General Fund	6%	7%	7%	8%	9%
Per Capita	69.70	83.10	96.65	91.62	106.56
<b>Sunnyvale</b>	\$5,578,196	\$6,589,448	\$777,583	\$8,856,790	\$8,588,303
% of General Fund	5%	5%	1%	6%	6%
Per Capita	40.18	46.92	5.51	61.98	58.83

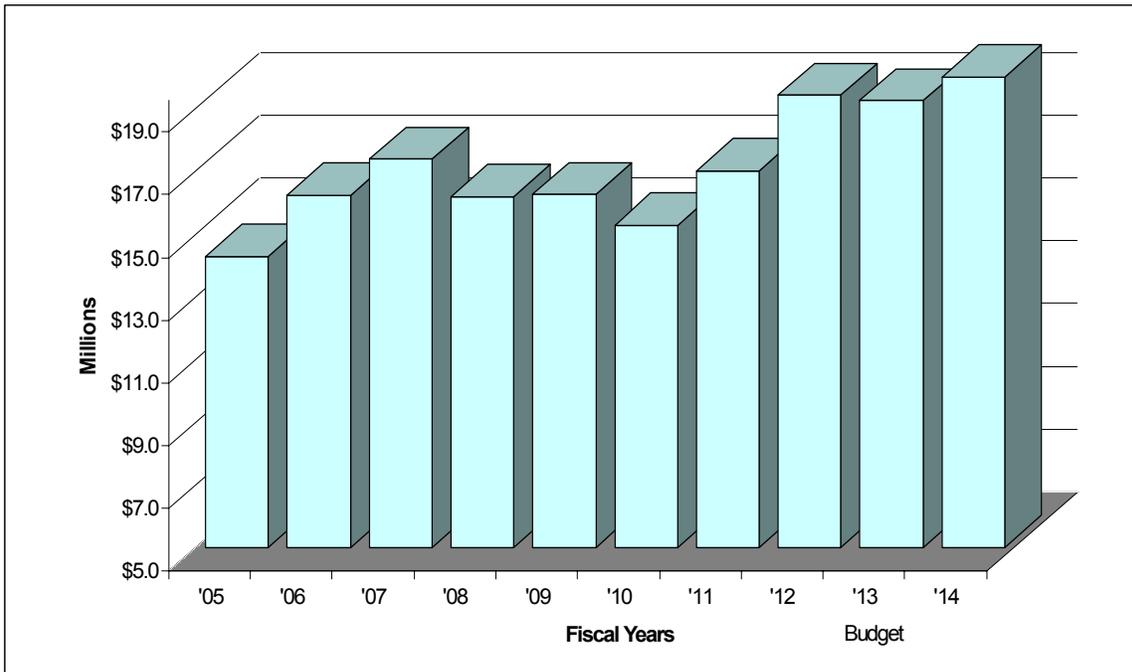


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## History of Sales Tax Revenue

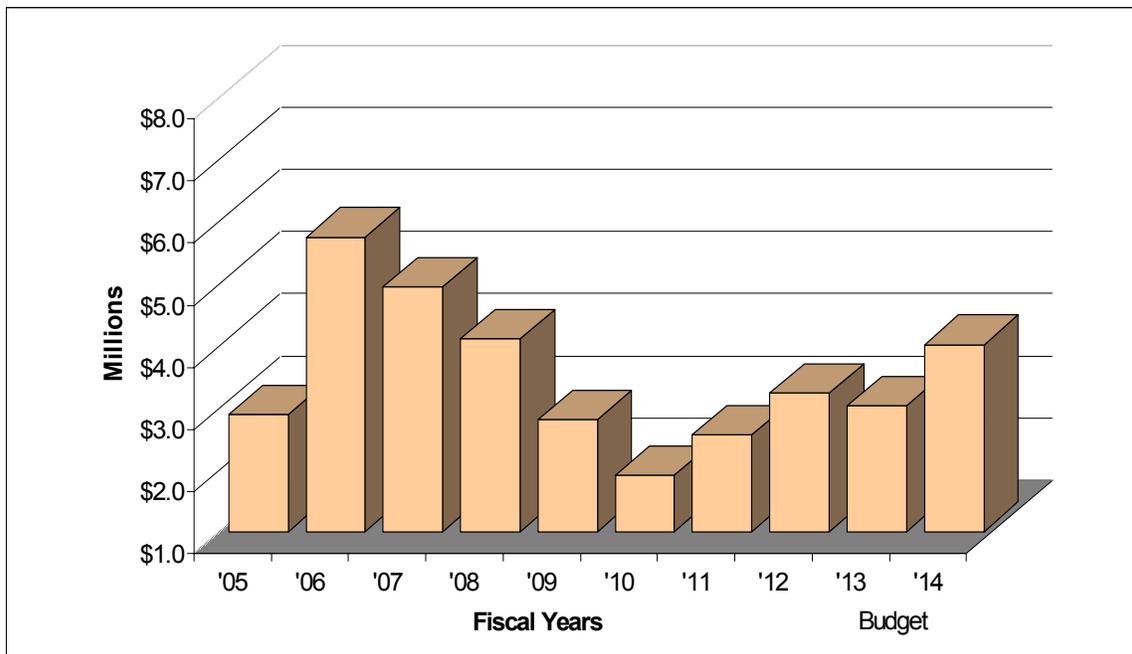
### General Fund 2005 through 2014



Of the \$.0875 sales tax paid on every \$1 spent when shopping in Milpitas, \$.01 is returned to the City.

## History of Building Permit Revenue

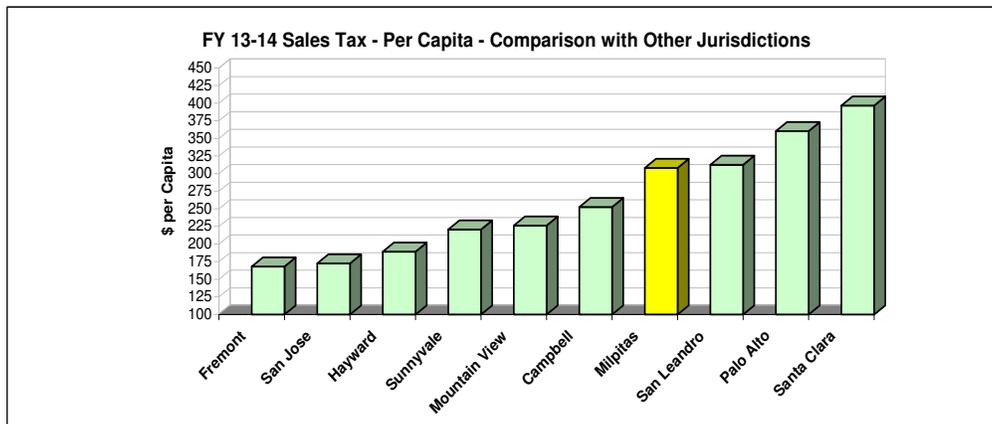
### General Fund 2005 through 2014



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## Sales Tax Revenue, Comparison with Other Jurisdictions FY 2009-10 through FY 2013-14

City	Actual 2009-10	Actual 2010-11	Actual 2011-12	Budgeted 2012-13	Budgeted 2013-14
<b>Milpitas</b>	\$15,267,613	\$16,994,002	\$19,403,068	\$19,230,000	\$20,913,000
% of General Fund	24%	19%	31%	31%	32%
Per Capita	215.59	237.51	287.56	287.16	308.02
<b>Campbell</b>	\$7,967,190	\$8,591,819	\$9,576,483	\$9,524,000	\$10,577,000
% of General Fund	25%	25%	26%	26%	27%
Per Capita	197.11	210.27	234.37	233.09	252.68
<b>Fremont</b>	\$26,770,000	\$30,089,204	\$33,066,000	\$33,570,000	\$37,017,000
% of General Fund	22%	24%	26%	26%	26%
Per Capita	124.14	140.83	153.29	154.20	168.32
<b>Hayward</b>	\$23,509,000	\$25,492,000	\$26,346,000	\$26,590,000	\$27,312,000
% of General Fund	22%	21%	23%	23%	23%
Per Capita	155.81	176.80	182.72	184.41	189.42
<b>Mountain View</b>	\$15,241,857	\$15,501,602	\$15,939,373	\$16,183,920	\$17,268,200
% of General Fund	18%	18%	17%	17%	18%
Per Capita	203.87	209.29	213.31	215.00	226.44
<b>Palo Alto</b>	\$17,991,000	\$20,746,000	\$22,132,000	\$23,364,000	\$23,846,000
% of General Fund	14%	14%	14%	15%	15%
Per Capita	275.06	322.06	343.57	356.46	360.21
<b>San Jose</b>	\$127,237,778	\$137,970,000	\$154,026,546	\$161,270,000	\$167,710,000
% of General Fund	20%	20%	17%	17%	21%
Per Capita	134.50	144.11	160.65	166.02	172.65
<b>San Leandro</b>	\$17,826,272	\$22,051,722	\$24,388,681	\$23,892,000	\$27,081,000
% of General Fund	25%	30%	32%	32%	34%
Per Capita	216.08	257.95	285.28	277.64	312.48
<b>Santa Clara</b>	\$30,102,296	\$35,567,422	\$40,322,018	\$42,364,000	\$48,400,000
% of General Fund	22%	24%	26%	29%	32%
Per Capita	258.82	301.42	339.37	352.20	396.72
<b>Sunnyvale</b>	\$25,431,711	\$29,228,078	\$30,345,514	\$31,039,146	\$32,236,373
% of General Fund	22%	24%	23%	20%	22%
Per Capita	183.19	208.10	215.07	217.21	220.84

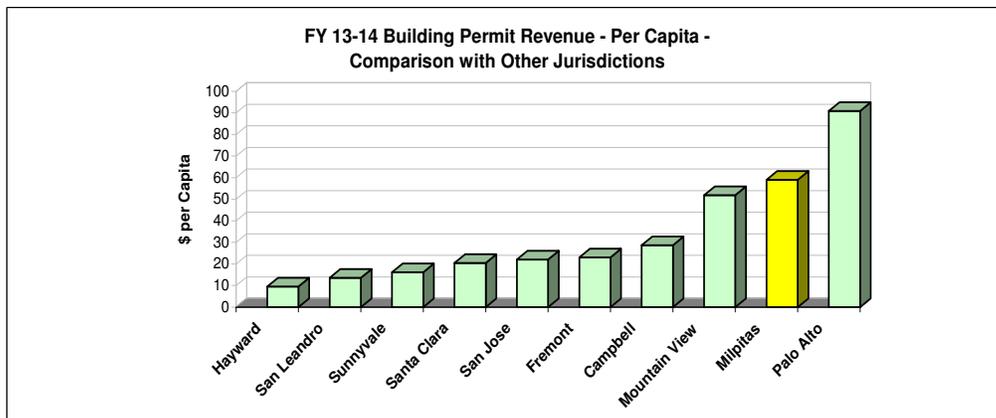


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## Building Permit Revenue, Comparison with Other Jurisdictions FY 2009-10 through FY 2013-14

City	Actual 2009-10	Actual 2010-11	Actual 2011-12	Budgeted 2012-13	Budgeted 2013-14
<b>Milpitas</b>	\$1,903,070	\$2,557,237	\$3,220,061	\$3,029,000	\$4,011,000
% of General Fund	3%	3%	5%	5%	6%
Per Capita	26.87	35.74	47.72	45.23	59.08
<b>Campbell</b>	\$455,803	\$1,100,932	\$1,083,106	\$1,167,000	\$1,200,000
% of General Fund	1%	3%	3%	3%	3%
Per Capita	11.28	26.94	26.51	28.56	28.67
<b>Fremont *</b>	\$5,956,977	\$4,375,860	\$4,377,000	\$5,479,000	\$5,063,000
% of General Fund	5%	3%	3%	4%	4%
Per Capita	27.63	20.48	20.29	25.17	23.02
<b>Hayward</b>	\$1,502,000	\$3,757,000	\$1,351,000	\$1,388,000	\$1,388,000
% of General Fund	1%	3%	1%	1%	1%
Per Capita	9.96	26.06	9.37	9.63	9.63
<b>Mountain View *</b>	\$1,852,634	\$2,785,354	\$4,678,060	\$4,121,293	\$3,955,700
% of General Fund	2%	3%	5%	4%	4%
Per Capita	24.78	37.61	62.61	54.75	51.87
<b>Palo Alto</b>	\$4,036,139	\$3,491,191	\$4,700,000	\$4,323,000	\$6,019,000
% of General Fund	3%	2%	3%	3%	4%
Per Capita	61.71	54.20	72.96	65.96	90.92
<b>San Jose</b>	\$16,303,336	\$22,403,000	\$24,905,753	\$20,665,581	\$21,420,000
% of General Fund	3%	3%	3%	2%	3%
Per Capita	17.23	23.40	25.98	21.27	22.05
<b>San Leandro</b>	\$1,084,540	\$1,468,983	\$1,494,170	\$1,200,000	\$1,180,000
% of General Fund	1%	2%	2%	2%	1%
Per Capita	13.15	17.18	17.48	13.94	13.62
<b>Santa Clara</b>	\$1,150,852	\$2,350,611	\$5,051,661	\$2,000,000	\$2,500,000
% of General Fund	1%	2%	3%	1%	2%
Per Capita	9.89	19.92	42.52	16.63	20.49
<b>Sunnyvale</b>	\$1,537,860	\$2,079,470	\$3,537,633	\$3,671,663	\$2,363,509
% of General Fund	1%	2%	3%	2%	2%
Per Capita	11.08	14.81	25.07	25.69	16.19



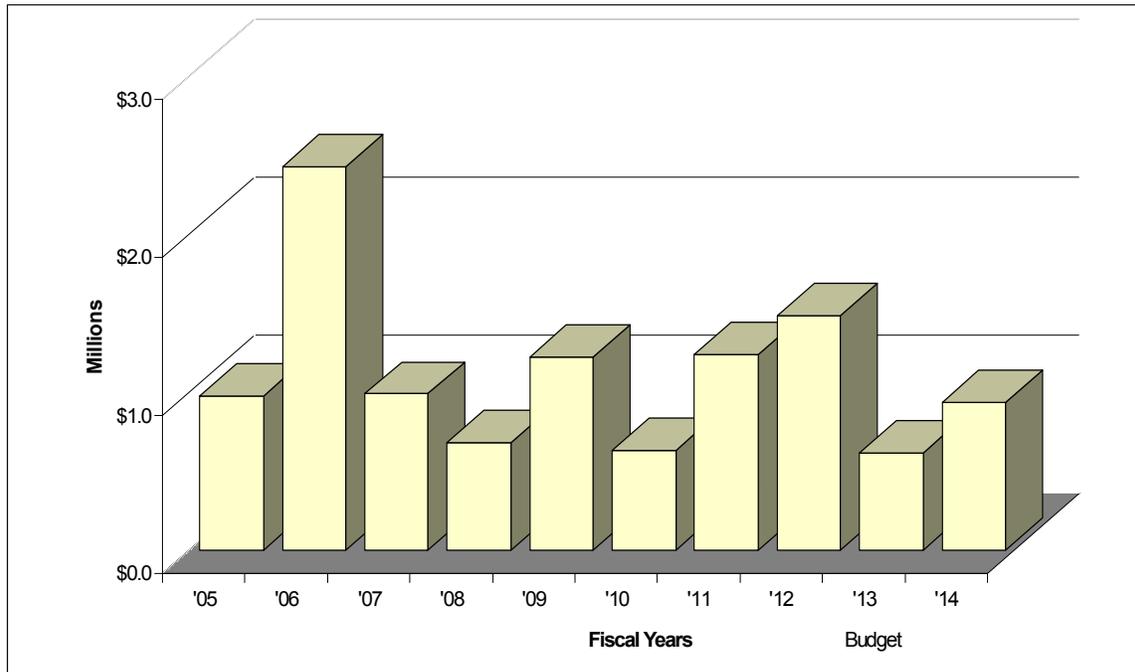
\* For the Cities of Fremont and Mountain View Building permits are not part of the General Fund revenues, but for comparison purposes, we included this revenue as part of the General Fund.

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## History of Intergovernmental Revenue

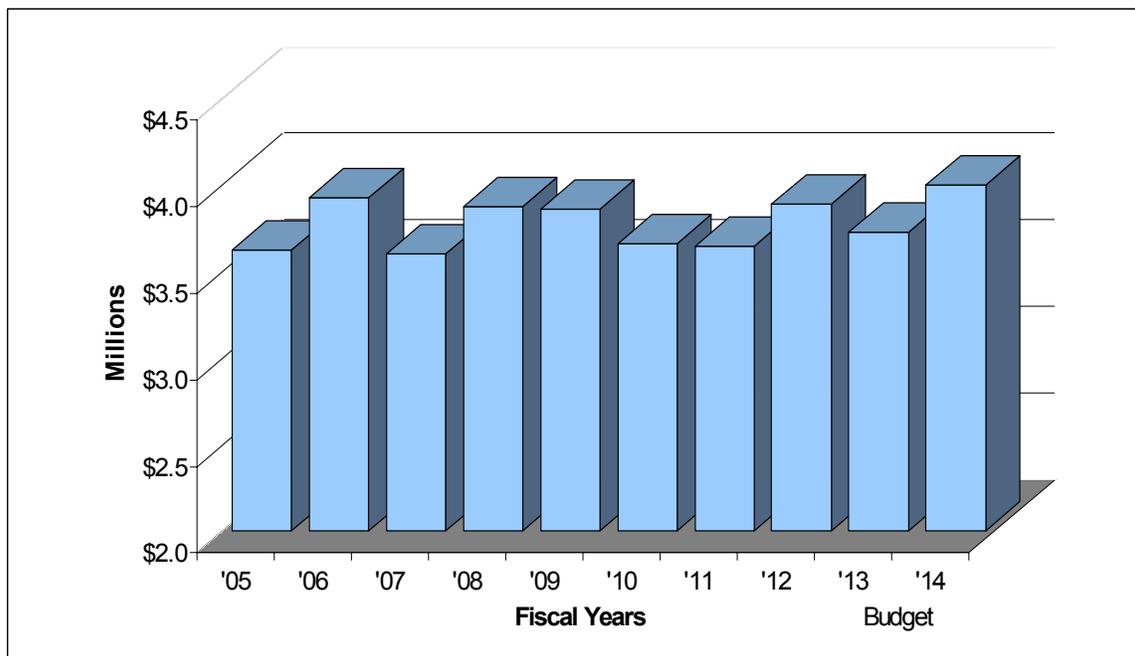
### General Fund 2005 through 2014



Intergovernmental Revenues include: Motor Vehicle In-Lieu Tax and Miscellaneous Grants.

## History of "Other" Tax Revenue

### General Fund 2005 through 2014

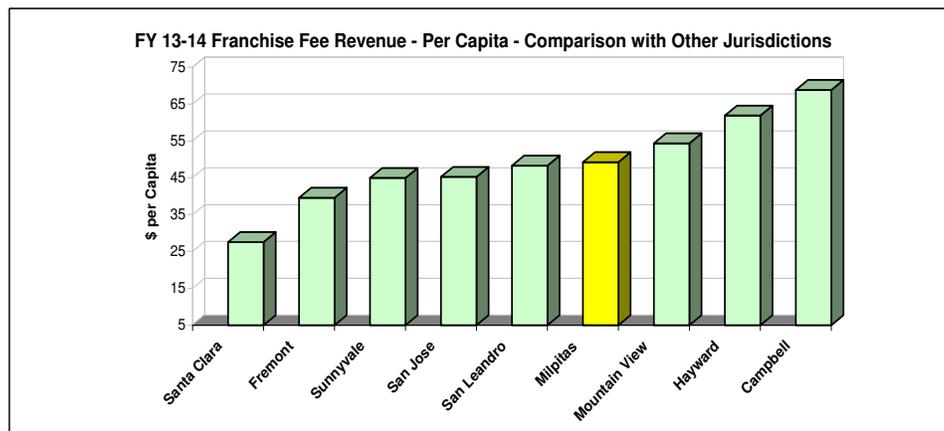


"Other" Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax.

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## Franchise Fees, Comparison with Other Jurisdictions FY 2009-10 through FY 2013-14

City	Actual 2009-10	Actual 2010-11	Actual 2011-12	Budgeted 2012-13	Budgeted 2013-14
<b>Milpitas</b>	\$2,993,512	\$3,082,533	\$3,218,132	\$3,121,000	\$3,341,000
% of General Fund	5%	3%	5%	5%	5%
Per Capita	42.27	43.08	47.69	46.61	49.21
<b>Campbell</b>	\$2,337,022	\$2,619,457	\$2,657,964	\$2,706,000	\$2,589,000
% of General Fund	7%	8%	7%	7%	7%
Per Capita	57.82	64.11	65.05	66.23	61.85
<b>Fremont</b>	\$7,929,000	\$8,261,000	\$8,255,000	\$8,120,000	\$8,697,000
% of General Fund	7%	7%	6%	6%	6%
Per Capita	36.77	38.66	38.27	37.30	39.55
<b>Hayward</b>	\$8,601,000	\$9,091,000	\$9,892,000	\$9,686,000	\$9,917,000
% of General Fund	8%	7%	9%	8%	9%
Per Capita	57.01	63.05	68.61	67.18	68.78
<b>Mountain View</b>	\$2,833,880	\$3,838,466	\$3,948,078	\$4,025,385	\$4,144,170
% of General Fund	3%	4%	4%	4%	4%
Per Capita	37.91	51.82	52.84	53.48	54.34
<b>San Jose</b>	\$38,410,068	\$41,272,000	\$41,708,845	\$43,625,000	\$43,923,000
% of General Fund	6%	6%	5%	5%	5%
Per Capita	40.60	43.11	43.50	44.91	45.22
<b>San Leandro</b>	\$4,005,464	\$4,136,335	\$4,231,420	\$4,141,000	\$4,182,050
% of General Fund	6%	6%	5%	6%	5%
Per Capita	48.55	48.38	49.50	48.12	48.25
<b>Santa Clara</b>	\$3,000,696	\$3,146,270	\$3,361,039	\$3,357,700	\$3,363,200
% of General Fund	2%	2%	2%	2%	2%
Per Capita	25.80	26.66	28.29	27.91	27.57
<b>Sunnyvale</b>	\$5,979,301	\$6,246,832	\$6,372,876	\$6,402,284	\$6,559,287
% of General Fund	5%	5%	5%	4%	5%
Per Capita	43.07	44.48	45.17	44.80	44.93



Note: Palo Alto does not collect Franchise Fees.

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**Expenditures by Fund (Summary)**

	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Approved 2013-14</b>
100 General Fund	63,258,881	61,975,001	60,608,103	64,942,528
102 Measure I TOT	450,769	360,419	90,000	97,840
105 Abandon Veh Abatement	38,196	44,172	45,500	46,000
140 Housing Administration	0	261,784	251,956	0
150 Redevelopment Administration	0	372,210	706,706	424,411
151 Redevelopment CIP	0	58,078	0	0
160 Housing Administration	0	4,544	0	0
211 H-Hetch Ground Lease	27,376	27,904	29,000	30,000
212 Public Art Fund-Restricted	56,251	33,120	0	0
235 95-1 Lighting/Lscape Dist	197,927	188,419	300,630	293,374
236 98-1 Lighting/Lscape Dist	38,902	14,321	14,530	24,300
237 05 Community Fclty Dist	170,185	178,169	402,350	730,572
250 HCD Fund	432,148	468,238	353,736	456,716
251 HCD Loan	262,307	70,790	36,980	0
261 Supplemental Law Enforcement	78,674	58,340	0	0
262 State Asset Seizure	7,973	0	30,000	30,000
263 Federal Asset Seizure	1,832	32,100	30,000	30,000
267 Justice Assistance Grant	22,975	14,004	0	0
268 Justice Assistance Grant 2009	7,588	0	0	0
280 Solid Waste Services	512,820	444,796	610,330	634,443
290 Housing Reserve Fund	3,346,490	404,073	0	0
295 Housing Authority	0	74,617	516,000	878,990
310 Street Fund	110,241	100,554	8,400	0
311 Street CIP	2,751,634	5,128,570	1,860,000	2,510,662
321 Park Improvement CIP	559,488	1,092,479	750,000	2,100,000
331 General Government CIP	163,744	234,843	0	4,384,288
340 Storm Drain Development	19,404	0	0	0
341 Storm Drain CIP	21,140	40,704	550,000	0
350 Transit Area Impact Fee Fund	637,381	661,502	0	0
351 Transit Area Impact Fee CIP Fund	602,414	153,537	0	1,000,000
390 RDA Project Fund	31,192,926	12,586,404	0	0
391 Redevelopment CIP	2,140,476	847,059	0	0
400 Water M & O Fund	11,842,649	14,428,813	15,598,380	16,691,619
401 Water CIP	3,729,381	3,493,817	2,775,000	1,400,000
450 Sewer M & O Fund	9,295,778	7,699,566	11,330,148	8,311,796
451 Sewer CIP	944,726	43,440	6,550,000	7,500,000
500 Equipment Mgnt Fund	1,525,871	1,541,328	1,499,901	1,690,736
505 Information Tec Replmt	83,897	87,607	167,200	188,000
506 Permit Automation Fund	46,000	27,591	28,000	32,500
<b>TOTAL</b>	<b>134,578,442</b>	<b>113,252,914</b>	<b>105,142,850</b>	<b>114,428,775</b>

**Financial Information** Expenditures by Fund (Detail)

<b>Fund/Function</b>	<b>Personnel Services</b>	<b>Supplies &amp; Contractual Svcs</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Total</b>
<b>GENERAL FUND</b>						
City Council	106,783	138,015	0	0	0	244,798
City Manager	389,084	195,530	0	0	0	584,614
City Clerk	296,839	33,500	0	0	0	330,339
City Attorney	550,870	96,440	0	0	0	647,310
Building Inspection Services	1,392,508	42,595	0	0	0	1,435,103
Plan Checking	466,760	12,675	0	0	0	479,435
Building Administration	220,940	10,330	0	0	0	231,270
Permit Center	471,942	55,250	0	0	0	527,192
Public Works Inspection Services	148,257	2,000	0	0	0	150,257
Information Services	1,495,504	683,608	0	0	0	2,179,112
Human Resources	487,945	420,512	0	0	0	908,457
Recreation Administration	728,294	125,486	0	0	0	853,780
Senior Citizen Services	433,127	196,881	0	0	0	630,008
Preschool	0	209,600	0	0	0	209,600
Youth Programs	412,969	29,600	0	0	0	442,569
Special Events	37,443	56,902	0	0	0	94,345
Cultural Arts	0	41,015	0	0	0	41,015
General Classes	69,416	266,759	0	0	0	336,175
Aquatics	328,747	14,898	0	0	0	343,645
Sports & Fitness Classes	175,426	176,937	0	0	0	352,363
Adult Sports	34,142	11,860	0	0	0	46,002
Volunteer Services	34,712	2,500	0	0	0	37,212
Finance Administration	726,582	119,645	0	0	0	846,227
Finance Operations	1,062,038	20,580	0	0	0	1,082,618
Public Works Administration	122,846	7,200	0	0	0	130,046
Street Maintenance	705,655	448,271	0	0	0	1,153,926
Utility Maintenance	96,200	0	0	0	0	96,200
Park Maintenance	16,043	1,164,638	0	0	0	1,180,681
Trees & Landscape Mnt	47,775	469,000	0	0	0	516,775
Facilities Maintenance	1,004,549	928,585	0	0	0	1,933,134
Engineering Administration	136,008	12,529	0	0	0	148,537
Design & Construction	317,587	2,051	0	0	0	319,638
Land Development	764,129	89,817	0	0	0	853,946
Traffic Engineering	124,532	90,751	0	0	0	215,283
Utility Engineering	0	141,000	0	0	0	141,000
Planning	940,890	68,120	0	0	0	1,009,010
Neighborhood Services	328,105	404,021	0	0	0	732,126
Police Administration	682,516	21,801	0	0	0	704,317
Records	966,302	196,636	0	0	0	1,162,938
Personnel & Training	242,562	86,228	0	0	0	328,790
Communications	2,316,188	313,176	0	0	0	2,629,364
Patrol Services	11,847,093	350,818	294	0	0	12,198,205
Traffic	2,389,969	115,123	2,446	0	0	2,507,538

**Financial Information** Expenditures by Fund (Detail)

<b>Fund/Function</b>	<b>Personnel Services</b>	<b>Supplies &amp; Contractual Svcs</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Total</b>
Crossing Guards	290,406	2,000	0	0	0	292,406
Community Relations	448,052	13,994	0	0	0	462,046
Investigations	2,020,937	287,062	0	0	0	2,307,999
Fire Administration	413,138	50,815	0	0	0	463,953
A/B/C Battalions Operations	10,966,280	1,343,473	0	0	0	12,309,753
Disaster Prep & Public Ed	165,250	32,139	0	0	0	197,389
Prevention Div Admin	355,610	37,470	0	0	0	393,080
Fire Inspection, Plan Check & Investigation	684,950	286,828	10,000	0	0	981,778
Non-Departmental	3,623,858	2,915,366	0	0	0	6,539,224
<b>sub-total (100)</b>	<b>52,087,758</b>	<b>12,842,030</b>	<b>12,740</b>	<b>0</b>	<b>0</b>	<b>64,942,528</b>
<b>MEASURE I TOT</b>						
Facilities Maintenance	44,840	10,000	0	0	0	54,840
Non-Departmental	0	43,000	0	0	0	43,000
<b>sub-total (102)</b>	<b>44,840</b>	<b>53,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>97,840</b>
<b>ABANDON VEH ABATEMENT</b>						
Neighborhood Services	0	23,500	0	0	0	23,500
Traffic	22,500	0	0	0	0	22,500
<b>sub-total (105)</b>	<b>22,500</b>	<b>23,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46,000</b>
<b>REDEVELOPMENT ADMINISTRATION</b>						
City Manager	72,586	0	0	0	0	72,586
City Clerk	12,883	0	0	0	0	12,883
City Attorney	76,506	0	0	0	0	76,506
Information Services	1,596	0	0	0	0	1,596
Human Resources	17,718	0	0	0	0	17,718
Finance Administration	69,032	0	0	0	0	69,032
Finance Operations	81,130	0	0	0	0	81,130
Neighborhood Services	17,726	0	0	0	0	17,726
Non-Departmental	0	75,234	0	0	0	75,234
<b>sub-total (150)</b>	<b>349,177</b>	<b>75,234</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>424,411</b>
<b>H-HETCH GROUND LEASE</b>						
Non-Departmental	0	30,000	0	0	0	30,000
<b>sub-total (211)</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
<b>95-1 LIGHTING/LSCAPE DIST</b>						
Street Maintenance	33,974	0	0	0	0	33,974
Trees & Landscape Mnt	0	193,000	0	0	0	193,000
Land Development	5,000	61,400	0	0	0	66,400
<b>sub-total (235)</b>	<b>38,974</b>	<b>254,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>293,374</b>
<b>98-1 LIGHTING/LSCAPE DIST</b>						
Trees & Landscape Mnt	0	19,800	0	0	0	19,800
Land Development	3,100	1,400	0	0	0	4,500
<b>sub-total (236)</b>	<b>3,100</b>	<b>21,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,300</b>

**Financial Information** Expenditures by Fund (Detail)

<b>Fund/Function</b>	<b>Personnel Services</b>	<b>Supplies &amp; Contractual Svcs</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Total</b>
<b>05 COMMUNITY FCLTY DIST</b>						
Street Maintenance	79,222	0	0	0	0	79,222
Park Maintenance	0	484,000	0	0	0	484,000
Trees & Landscape Mnt	31,850	130,500	0	0	0	162,350
Non-Departmental	0	5,000	0	0	0	5,000
<b>sub-total (237)</b>	<b>111,072</b>	<b>619,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>730,572</b>
<b>HCD FUND</b>						
Building Inspection Services	25,000	0	0	0	0	25,000
Finance Operations	10,000	0	0	0	0	10,000
Neighborhood Services	103,143	312,573	0	0	0	415,716
Non-Departmental	0	6,000	0	0	0	6,000
<b>sub-total (250)</b>	<b>138,143</b>	<b>318,573</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>456,716</b>
<b>HCD LOAN</b>						
<b>STATE ASSET SEIZURE</b>						
Investigations	0	0	30,000	0	0	30,000
<b>sub-total (262)</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
<b>FEDERAL ASSET SEIZURE</b>						
Investigations	0	0	30,000	0	0	30,000
<b>sub-total (263)</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
<b>SOLID WASTE SERVICES</b>						
Utility Engineering	165,643	440,800	0	0	0	606,443
Non-Departmental	0	28,000	0	0	0	28,000
<b>sub-total (280)</b>	<b>165,643</b>	<b>468,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>634,443</b>
<b>HOUSING RESERVE FUND</b>						
<b>HOUSING AUTHORITY</b>						
Finance Operations	64,694	0	0	0	0	64,694
Planning	0	3,700	0	0	0	3,700
Neighborhood Services	107,596	0	0	0	0	107,596
Non-Departmental	0	703,000	0	0	0	703,000
<b>sub-total (295)</b>	<b>172,290</b>	<b>706,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>878,990</b>
<b>STREET CIP</b>						
Capital Improvement Projects	0	0	0	0	2,510,662	2,510,662
<b>sub-total (311)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,510,662</b>	<b>2,510,662</b>
<b>PARK IMPROVEMENT CIP</b>						
Capital Improvement Projects	0	0	0	0	2,100,000	2,100,000
<b>sub-total (321)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,100,000</b>	<b>2,100,000</b>
<b>GENERAL GOVERNMENT CIP</b>						
Capital Improvement Projects	0	0	0	0	4,384,288	4,384,288
<b>sub-total (331)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,384,288</b>	<b>4,384,288</b>
<b>TRANSIT AREA IMPACT FEE CIP FUND</b>						
Capital Improvement Projects	0	0	0	0	1,000,000	1,000,000
<b>sub-total (351)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>

**Financial Information** Expenditures by Fund (Detail)

<b>Fund/Function</b>	<b>Personnel Services</b>	<b>Supplies &amp; Contractual Svcs</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Total</b>
<b>WATER M &amp; O FUND</b>						
Finance Operations	547,300	103,368	35,296	0	0	685,964
Public Works Administration	180,958	1,341	0	0	0	182,299
Utility Maintenance	800,782	370,561	110,000	0	0	1,281,343
Design & Construction	80,116	0	0	0	0	80,116
Utility Engineering	576,050	240,547	0	0	0	816,597
Non-Departmental	155,700	13,489,600	0	0	0	13,645,300
<b>sub-total (400)</b>	<b>2,340,906</b>	<b>14,205,417</b>	<b>145,296</b>	<b>0</b>	<b>0</b>	<b>16,691,619</b>
<b>WATER CIP</b>						
Capital Improvement Projects	0	0	0	0	1,400,000	1,400,000
<b>sub-total (401)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,400,000</b>	<b>1,400,000</b>
<b>SEWER M &amp; O FUND</b>						
Finance Operations	139,614	94,936	5,295	0	0	239,845
Public Works Administration	180,958	1,341	0	0	0	182,299
Utility Maintenance	850,583	251,928	0	0	0	1,102,511
Design & Construction	80,132	0	0	0	0	80,132
Utility Engineering	486,481	63,828	0	0	0	550,309
Non-Departmental	149,700	5,323,000	0	0	0	5,472,700
Debt Service	0	0	0	684,000	0	684,000
<b>sub-total (450)</b>	<b>1,887,468</b>	<b>5,735,033</b>	<b>5,295</b>	<b>684,000</b>	<b>0</b>	<b>8,311,796</b>
<b>SEWER CIP</b>						
Capital Improvement Projects	0	0	0	0	7,500,000	7,500,000
<b>sub-total (451)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,500,000</b>	<b>7,500,000</b>
<b>EQUIPMENT MGNT FUND</b>						
Fleet Maintenance	590,136	792,837	0	0	0	1,382,973
Non-Departmental	0	38,000	0	0	0	38,000
Equipment to be Depreciated	0	0	269,763	0	0	269,763
<b>sub-total (500)</b>	<b>590,136</b>	<b>830,837</b>	<b>269,763</b>	<b>0</b>	<b>0</b>	<b>1,690,736</b>
<b>INFORMATION TEC REPLMT</b>						
Information Services	0	98,000	90,000	0	0	188,000
<b>sub-total (505)</b>	<b>0</b>	<b>98,000</b>	<b>90,000</b>	<b>0</b>	<b>0</b>	<b>188,000</b>
<b>PERMIT AUTOMATION FUND</b>						
Information Services	0	32,500	0	0	0	32,500
<b>sub-total (506)</b>	<b>0</b>	<b>32,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,500</b>
<b>TOTAL</b>	<b>57,952,007</b>	<b>36,314,724</b>	<b>583,094</b>	<b>684,000</b>	<b>18,894,950</b>	<b>114,428,775</b>

**Financial Information Expenditures by Function by Fund**

<b>Function</b>	<b>General Fund</b>	<b>Housing Authority</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Other Funds</b>	<b>Total</b>
City Council	244,798	0	0	0	0	244,798
City Manager	657,200	0	0	0	0	657,200
City Clerk	343,222	0	0	0	0	343,222
City Attorney	723,816	0	0	0	0	723,816
Building Inspection Services	1,435,103	0	0	0	25,000	1,460,103
Plan Checking	479,435	0	0	0	0	479,435
Building Administration	231,270	0	0	0	0	231,270
Permit Center	527,192	0	0	0	0	527,192
Public Works Inspection Srv	150,257	0	0	0	0	150,257
Information Services	2,180,708	0	0	0	220,500	2,401,208
Human Resources	926,175	0	0	0	0	926,175
Recreation Administration	853,780	0	0	0	0	853,780
Senior Citizen Services	630,008	0	0	0	0	630,008
Preschool	209,600	0	0	0	0	209,600
Youth Programs	442,569	0	0	0	0	442,569
Special Events	94,345	0	0	0	0	94,345
Cultural Arts	41,015	0	0	0	0	41,015
General Classes	336,175	0	0	0	0	336,175
Aquatics	343,645	0	0	0	0	343,645
Sports & Fitness Classes	352,363	0	0	0	0	352,363
Adult Sports	46,002	0	0	0	0	46,002
Volunteer Services	37,212	0	0	0	0	37,212
Finance Administration	915,259	0	0	0	0	915,259
Finance Operations	1,163,748	64,694	685,964	239,845	10,000	2,164,251
Public Works Administration	130,046	0	182,299	182,299	0	494,644
Street Maintenance	1,153,926	0	0	0	113,196	1,267,122
Utility Maintenance	96,200	0	1,281,343	1,102,511	0	2,480,054
Park Maintenance	1,180,681	0	0	0	484,000	1,664,681
Trees & Landscape Mnt	516,775	0	0	0	375,150	891,925
Fleet Maintenance	0	0	0	0	1,382,973	1,382,973
Facilities Maintenance	1,933,134	0	0	0	54,840	1,987,974
Engineering Administration	148,537	0	0	0	0	148,537

**Financial Information** Expenditures by Function by Fund

<b>Function</b>	<b>General Fund</b>	<b>Housing Authority</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Other Funds</b>	<b>Total</b>
Design & Construction	319,638	0	80,116	80,132	0	479,886
Land Development	853,946	0	0	0	70,900	924,846
Traffic Engineering	215,283	0	0	0	0	215,283
Utility Engineering	141,000	0	816,597	550,309	606,443	2,114,349
Planning	1,009,010	3,700	0	0	0	1,012,710
Neighborhood Services	773,352	107,596	0	0	415,716	1,296,664
Police Administration	704,317	0	0	0	0	704,317
Records	1,162,938	0	0	0	0	1,162,938
Personnel & Training	328,790	0	0	0	0	328,790
Communications	2,629,364	0	0	0	0	2,629,364
Community Relations	462,046	0	0	0	0	462,046
Patrol Services	12,198,205	0	0	0	0	12,198,205
Traffic	2,530,038	0	0	0	0	2,530,038
Crossing Guards	292,406	0	0	0	0	292,406
Investigations	2,307,999	0	0	0	60,000	2,367,999
Fire Administration	463,953	0	0	0	0	463,953
A/B/C Battalions Operations	12,309,753	0	0	0	0	12,309,753
Prevention Div Admin	393,080	0	0	0	0	393,080
Fire Insp, Plan Check & Invg	981,778	0	0	0	0	981,778
Disaster Prep & Public Ed	197,389	0	0	0	0	197,389
Non-Departmental	6,614,458	703,000	13,645,300	5,472,700	150,000	26,585,458
Debt Service	0	0	0	684,000	0	684,000
Equipment to be dprciated	0	0	0	0	269,763	269,763
Capital Improvement Project	0	0	1,400,000	7,500,000	9,994,950	18,894,950
<b>TOTAL</b>	<b>65,412,939</b>	<b>878,990</b>	<b>18,091,619</b>	<b>15,811,796</b>	<b>14,233,431</b>	<b>114,428,775</b>

**Financial Information** Internal Cost Allocation by Fund Schedule

Function	FY12/13	Admin & O/H Cost	Reallocation	Program	100/105/140/150	102
	Budget	To be Allocated	Admin & O/H Cost	Cost	General	Mesur I TOT
100 City Council	244,798	(132,827)	46,361	158,332	125,589	0
111 City Manager	657,200	(293,827)	122,226	485,599	410,059	0
114 City Clerk	343,222	(286,668)	18,966	75,520	70,810	0
120 City Attorney	723,816	(476,485)	71,650	318,981	254,604	0
530 Building Inspection	2,848,257	0	1,182,218	4,030,475	4,004,273	0
112 Information Services	2,401,208	(1,676,827)	210,734	935,115	422,562	0
115 Human Resources	926,175	(853,405)	23,181	95,951	37,370	0
450 Recreation Services	3,386,714	(440,273)	1,228,579	4,175,020	4,175,020	0
300 Finance Admin	915,259	(417,952)	179,124	676,431	518,750	0
310 Finance Operations	2,164,251	(534,705)	617,450	2,246,996	656,875	0
420 Public Works	10,169,373	(3,346,883)	2,425,548	9,248,038	4,323,900	54,840
410 Engineering	3,882,901	(98,187)	1,485,675	5,270,390	2,180,046	0
510 Planning & Neigh Presv	2,309,374	0	727,032	3,036,406	2,452,626	0
700 Police Admin	704,317	(142,202)	236,022	798,137	788,799	0
710 Technical Services	4,121,092	(2,580,839)	642,739	2,182,992	2,157,451	0
720 Field Services	15,020,649	(3,028,127)	5,007,041	16,999,563	16,800,931	0
730 Special Operations	2,830,045	(559,272)	925,123	3,195,896	3,099,206	0
800 Fire Admin	463,953	(6,171)	191,768	649,550	649,355	0
810 Emerg Resp & Prep Division	12,507,142	(166,344)	5,165,093	17,505,890	17,500,638	0
820 Prevention Division	1,374,858	(18,286)	566,874	1,923,446	1,922,869	0
910 Non-Departmental	26,585,458	(6,014,124)	0	20,571,334	583,216	43,000
930 Equipment to be Depreciated	269,763	0	0	269,763	0	0
<b>TOTAL OP BUDGET</b>	<b>94,849,825</b>	<b>(21,073,404)</b>	<b>21,073,404</b>	<b>94,849,825</b>	<b>63,134,949</b>	<b>97,840</b>
920 Debt Service	684,000	0	0	684,000	0	0
950 C I P Projects	18,894,950	0	0	18,894,950	0	0
<b>Total</b>	<b>114,428,775</b>	<b>(21,073,404)</b>	<b>21,073,404</b>	<b>114,428,775</b>	<b>63,134,949</b>	<b>97,840</b>
<b>Op Cost Reimb</b>					3,660,963	0
<b>Total By Fund</b>					<b>66,795,912</b>	<b>97,840</b>

**Program Costs Allocated to Operating Funds**

211	280	295	400/401	450/451	Other	
HH Lease	Sld Wst	Housing Auty	Water	Sewer	Funds	TOTAL
0	0	0	17,670	15,073	0	158,332
0	0	0	41,921	33,619	0	485,599
0	0	0	2,211	2,499	0	75,520
0	0	0	30,043	34,334	0	318,981
0	0	0	0	1,202	25,000	4,030,475
0	0	0	130,482	161,571	220,500	935,115
0	0	0	35,565	23,016	0	95,951
0	0	0	0	0	0	4,175,020
972	0	0	48,713	107,996	0	676,431
1,244	0	64,694	1,034,927	479,256	10,000	2,246,996
0	0	0	2,074,770	1,822,182	972,346	9,248,038
0	863,360	0	1,259,624	896,460	70,900	5,270,390
0	0	111,296	50,598	6,170	415,716	3,036,406
0	0	0	4,709	4,629	0	798,137
0	0	0	12,880	12,661	0	2,182,992
0	0	0	100,164	98,468	0	16,999,563
0	0	0	18,501	18,189	60,000	3,195,896
0	0	0	65	130	0	649,550
0	0	0	1,751	3,501	0	17,505,890
0	0	0	192	385	0	1,923,446
30,000	28,000	703,000	13,656,012	5,479,106	49,000	20,571,334
0	0	0	0	0	269,763	269,763
<b>32,216</b>	<b>891,360</b>	<b>878,990</b>	<b>18,520,798</b>	<b>9,200,447</b>	<b>2,093,225</b>	<b>94,849,825</b>
0	0	0	0	684,000	0	684,000
0	0	0	1,400,000	7,500,000	9,994,950	18,894,950
<b>32,216</b>	<b>891,360</b>	<b>878,990</b>	<b>19,920,798</b>	<b>17,384,447</b>	<b>12,088,175</b>	<b>114,428,775</b>
(2,216)	(256,917)	0	(1,829,179)	(1,572,651)	0	0
<b>30,000</b>	<b>634,443</b>	<b>878,990</b>	<b>18,091,619</b>	<b>15,811,796</b>	<b>12,088,175</b>	<b>114,428,775</b>

**Financial Information** Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>		<u>Transfer Distribution</u>
From the RPTTF Distribution Fund	To the General Government Fund for: Capital Improvement Project Reserve	890,024
	<b>sub-total</b>	<u>890,024</u>
* From the RPTTF Distribution Fund	To the General Fund for: Balance General Fund Budget	1,486,976
	<b>sub-total</b>	<u>1,486,976</u>
From the Measure I TOT	To the General Government Fund for: Street Resurfacing Project (2014)	600,000
	<b>sub-total</b>	<u>600,000</u>
From the H-Hetch Ground Lease	To the General Fund for: Operating Cost Reimbursement	2,216
	<b>sub-total</b>	<u>2,216</u>
From the Gas Tax Fund	To the General Government Fund for: Street Resurfacing Project 2014 (3412)	1,100,000
	<b>sub-total</b>	<u>1,100,000</u>
From the Gas Tax Fund	To the Street Improvement Fund for: Bridge Improvements (4271) Minor Traffic Improvements 2014 (4272) 2014 Road Rehabilitation (4270)	150,000 100,000 350,000
	<b>sub-total</b>	<u>600,000</u>
From the 95-1 Lighting/Lscape Dist	To the General Government Fund for: McCarthy Blvd. Landscape & Lighting Imprv (3402)	350,000
	<b>sub-total</b>	<u>350,000</u>
From the 98-1 Lighting/Lscape Dist	To the General Government Fund for: Sinclair LMD Improvements (3411)	60,000
	<b>sub-total</b>	<u>60,000</u>
From the Solid Waste Services	To the General Fund for: Operating Cost Reimbursement	256,917
	<b>sub-total</b>	<u>256,917</u>
* From the Street Fund	To the Street CIP Fund for: Soundwall Renovations (4267) Street Landscape Irrigation Repair 2014 (4273)	150,000 150,000
	<b>sub-total</b>	<u>300,000</u>
* From the Street CIP	To the Street CIP Fund for: Defunding of Traffic Congestion Relief Fund (4254)	5,100
	<b>sub-total</b>	<u>5,100</u>
* From the Vehicle Registration Fee	To the General Government Fund for: Street Resurfacing Project 2014 (3412)	300,000
	<b>sub-total</b>	<u>300,000</u>
* From the Park Improvement Fund	To the Park CIP Fund for: Pinewood Park Picnic Renovation (5096) Higuera Adobe Park Picnic & Playground (5097) Park Irrigation System Repair & Improv 2014 (5098)	1,650,000 300,000 150,000
	<b>sub-total</b>	<u>2,100,000</u>
* From the Park Improvement CIP	To the Park CIP Fund for: Defunding of Park Funding for Main St Park (5092)	350,000

**Financial Information** Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
	<b>sub-total</b> 350,000
* From the Midtown Park Fund	To the Park CIP Fund for:
	Main Street Park (5092) 350,000
	<b>sub-total</b> 350,000
* From the General Government	To the General Government CIP Fund for:
	City Facilities Improvements (3406) 500,000
	MSC Facility Improvements (3408) 500,000
	Police/PWD Generator Transfer Switch Repl (3409) 100,000
	Public Works/Police Building Improvements (3410) 300,000
	Street Resurfacing Project 2014 (3412) 500,000
	<b>sub-total</b> 1,900,000
* From the Transit Area Impact Fee Fund	To the TASP CIP Fund for:
	TASP Recycled Water Line Extension (2003) 1,000,000
	<b>sub-total</b> 1,000,000
From the Water M & O Fund	To the General Fund for:
	Operating Cost Reimbursement 1,829,179
	<b>sub-total</b> 1,829,179
* From the Water M & O Fund	To the Water CIP Fund for:
	Cathodic Protection Improvements (7115) 350,000
	Dempsey Road Water Line Replacement (7118) 500,000
	Sunnyhills Turnout Pressure Reducing Valve (7119) 100,000
	Water Supply Blending Study (7120) 100,000
	<b>sub-total</b> 1,050,000
* From the Water Line Extension Fund	To the Water CIP Fund for:
	Abel Street Pipeline Extension (7117) 350,000
	<b>sub-total</b> 350,000
From the Sewer M & O Fund	To the General Fund for:
	Operating Cost Reimbursement 1,572,651
	<b>sub-total</b> 1,572,651
* From the Sewer M & O Fund	To the Sewer CIP Fund for:
	San Jose Water Pollution Control Plant Imprv (6118) 5,000,000
	<b>sub-total</b> 5,000,000
* From the Treatment Plant Construction	To the Sewer Fund for:
	San Jose Water Pollution Control Plant Imprv (6118) 2,500,000
	<b>sub-total</b> 2,500,000
* From the Equipment Mgnt Fund	To the Technological Replacement Fund for:
	Capital Reserve for Technological Equipment Replacement 300,000
	<b>sub-total</b> 300,000
	<b>TOTAL TRANSFERS:</b> 24,253,063

Note: \* Interfund Transfers, within the same fund group, are not included in the Budget Summary.

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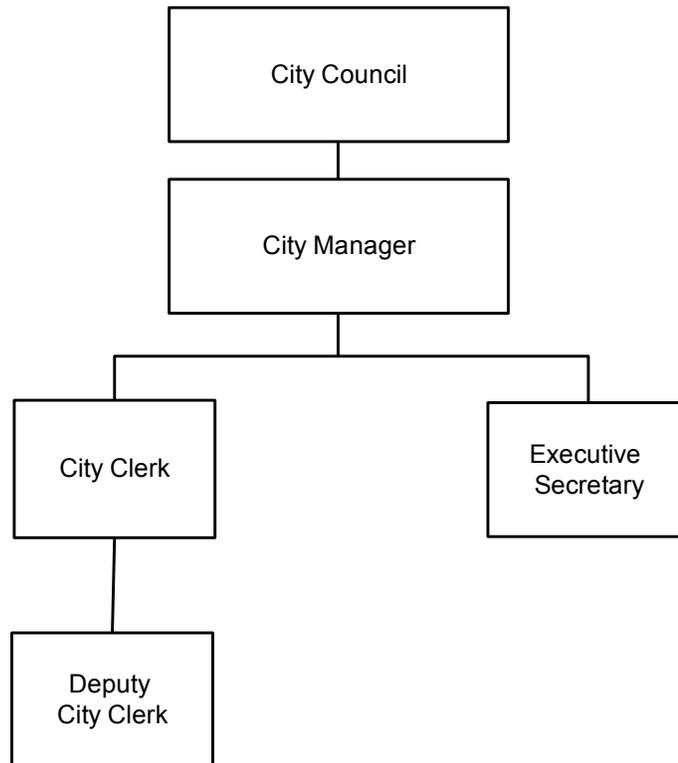
### **Mission Statements**

The City Council serves as the informed, legislative governing body of the City on all issues, provides guidance in assessing the needs of the community and policy direction for the development of programs and provision of services to the citizens of Milpitas.

The division of the City Manager's Department assist the public in accessing their local government and support the City Council and City Departments in providing the highest quality services. The Department is committed to being proactive to the changing needs of the public and City Department.

### **Functions**

City Council  
City Manager  
City Clerk



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DEPARTMENT: City Manager

CITY MANAGER: Thomas Williams

*Description:* This function serves as the governing body of the City, provides legislative direction, and promulgates policies pertaining to the provision of services and direction of City government.

## Services

- Serves as governing body of the City.
- Provides legislative direction to the City.
- Promulgates policies for provision of services and direction for the City.
- Enacts ordinances and resolutions necessary for governing the affairs of the City.
- Adopts the Annual Operating Budget and Capital Improvement Plan.
- Serves as City Representatives at public events and functions.



**Budgets Narrative and Summary City Council**

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Developed long-term fiscal planning policies.	x	x	x	x	x
2. Provided comprehensive policy direction for the City's operation.		x		x	x
3. Established citywide priorities for fiscal year 2012-13.	x	x		x	x
4. Provided sound fiscal policies and economic stability for the City.		x	x	x	
5. Reviewed and adopted policies to increase efficiency for service delivery.	x	x		x	
6. Narrowed the General Fund budget structural deficit from \$12 million to \$1.5 million.	x	x		x	x
<b>2013-2014 Goals</b>					
1. Provide oversight for the Citywide Strategic Plan.	x	x	x	x	x
2. Provide comprehensive policy direction for the City's operation.		x		x	x
3. Establish citywide priorities for fiscal year 2013-14.	x	x		x	x
4. Provide sound fiscal policies and economic stability for the City.		x	x	x	
5. Review and adopt policies to increase efficiency for service delivery.	x	x		x	
6. Foster quality of life for all citizens while maintaining first-rate services.	x	x		x	x
7. Promote economic opportunity and environmental sustainability.	x	x		x	x
8. Uphold honest and transparent City Government.	x	x		x	x

<b>Performance Measures</b>	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Projected 2012-13</b>	<b>Estimated 2013-14</b>
City Council Meetings	25	26	23	23
Commission Meetings	131	128	133	133
Subcommittee Meetings	45	49	73	73
County/Regional Agency/Association Meetings	260	260	260	260

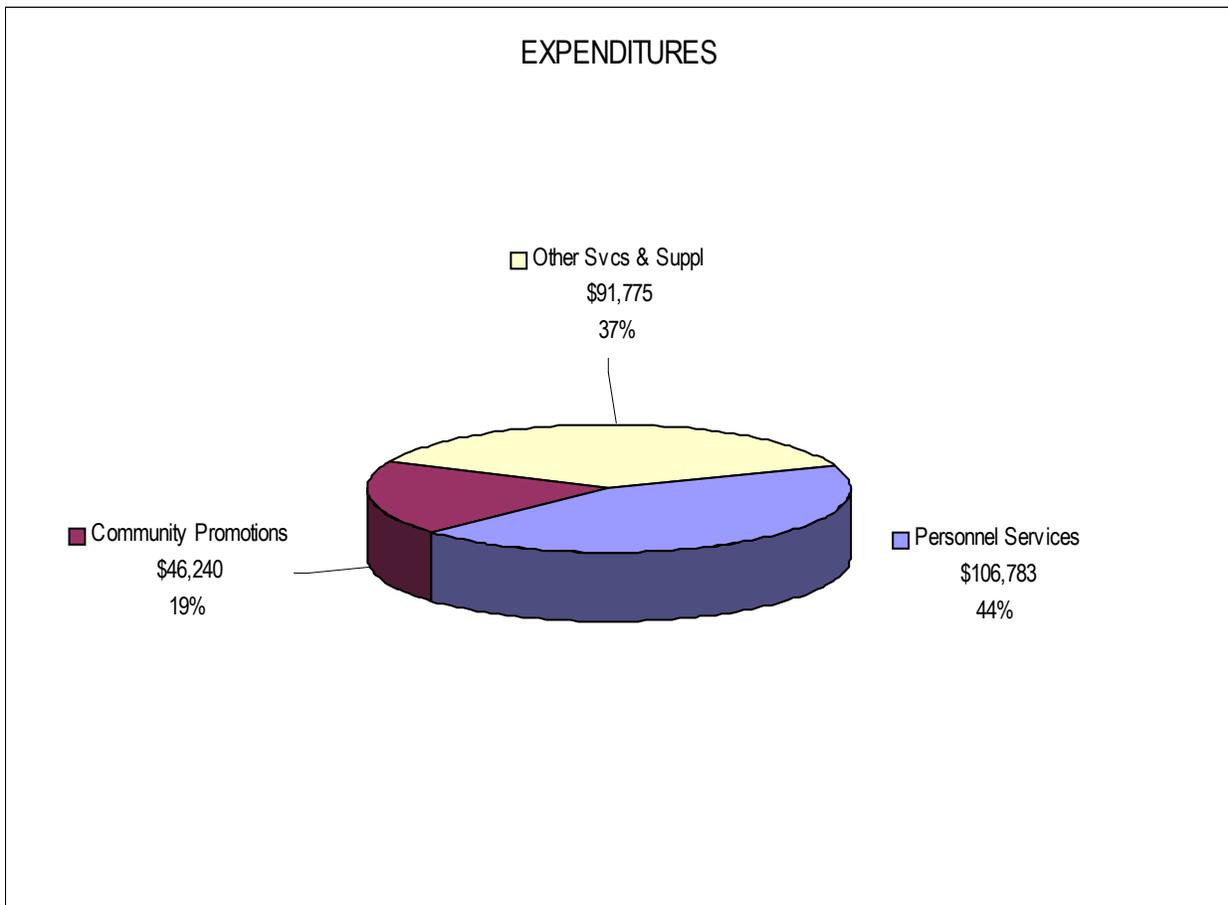
**Personnel Allotment of 5 FTE**

Position	Auth FTE	Funded	Unfunded		Auth FTE	Funded	Unfunded
Council Members	5	5					
<b>TOTAL</b>					<b>5</b>	<b>5</b>	<b>0</b>

Staff Change(s): None

**Expenditure Analysis**

Personnel Services	Decrease attributed to a Council decision on 3/8/2012 to forgo Council members' medical benefits effective 1/1/2013.
Services and Supplies / Community Promotions	Decrease attributed to reduced funding for community grants.
Capital Outlay	None



**Budgets Narrative and Summary City Council**

	<u>Actual 2010-11</u>	<u>Actual 2011-12</u>	<u>Budget 2012-13</u>	<u>Approved 2013-14</u>
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	51,760	55,825	54,274	54,274
4112 Temporary Salaries	3,125	3,375	4,400	4,400
4121 Allowances	38,589	39,086	38,700	38,700
4131 PERS	4,816	5,693	15,190	15,934
4132 Group Insurance	41,325	38,881	23,040	420
4133 Medicare	1,442	1,416	1,358	1,422
4135 Worker's Compensation	183	228	272	294
4139 PARS	616	632	0	66
4151 Compensation Reduction	(564)	(3,430)	(8,727)	(8,727)
4161 Retiree Medical Reserve	2,964	2,964	516	0
<b>sub-total</b>	<u>144,256</u>	<u>144,668</u>	<u>129,023</u>	<u>106,783</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	50,445	37,419	54,240	46,240
4220 Supplies	6,296	3,272	3,200	3,200
4230 Services	10,500	10,500	10,500	10,500
4410 Communications	0	540	0	0
4501 Memberships and Dues	51,234	50,809	53,579	53,579
4503 Training	8,995	5,568	10,400	10,400
4520 Commissions and Boards	6,624	4,396	14,096	14,096
<b>sub-total</b>	<u>134,093</u>	<u>112,504</u>	<u>146,015</u>	<u>138,015</u>
<b>TOTAL</b>	<u><u>278,349</u></u>	<u><u>257,172</u></u>	<u><u>275,038</u></u>	<u><u>244,798</u></u>

**FUNCTION:**

**City Manager**

**CITY MANAGER: Thomas Williams**

*Description:* This function provides the administration of City government in an efficient and effective manner according to the general policy guidelines of the City Council and recommends strategies and solutions to issues for Council consideration.

**Services**

- Administers the operations of City government and the Successor Agency resulting from the dissolution of Redevelopment Agency.
- Implements the City's general policy guidelines.
- Submits for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Recommends strategies and solutions to City Council.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Implemented City Council priorities for fiscal year 2012-13.	x	x		x	x
2. Provided leadership to municipal organization.	x	x	x	x	x
3. Hired Police Chief, Planning Director and Public Works Director.	x	x	x	x	x
4. Continued to reorganize City departments and divisions to improve staff utilization, increase efficiency, accountability, and at savings to the City.	x	x	x	x	
5. Implemented the roadmap to service improvement project resulting in improved permit turn-around time and customer satisfaction.	x	x		x	
6. Implemented financial strategies that ensure cost effective City service delivery.		x	x	x	x
7. Continued to improve and diversify the economic base of the City.		x		x	x
8. Recommended strategies to preserve and enhance the assets of the Economic Development Corporation.	x	x		x	
9. Maintained the City at "AA+" general credit rating.	x	x		x	
<b>2013-2014 Goals</b>					
1. Implement City Council priorities for fiscal year 2013-14.	x	x		x	x
2. Provide leadership to municipal organization.	x	x	x	x	x
3. Initiate a Citywide Strategic Plan.	x	x	x	x	x
4. Continue to improve service delivery, permit streamlining and customer satisfaction.	x	x		x	
5. Implement financial strategies that ensure cost effective service delivery.		x	x	x	x
6. Continue to improve the economic base and fiscal health of the City.		x		x	x
7. Promote efficient and effective municipal operations and services.	x	x	x	x	x
8. Promote effective community planning and neighborhood preservation.	x	x		x	x
9. Promote positive public and intergovernmental relations.	x	x		x	x

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
City Council Meetings	25	26	23	23
Capital Improvement Program Projects Completed	12	15	10	10
Conduct meetings with developers*	N/A	N/A	67	70

\* New performance measures effective FY 2012-13

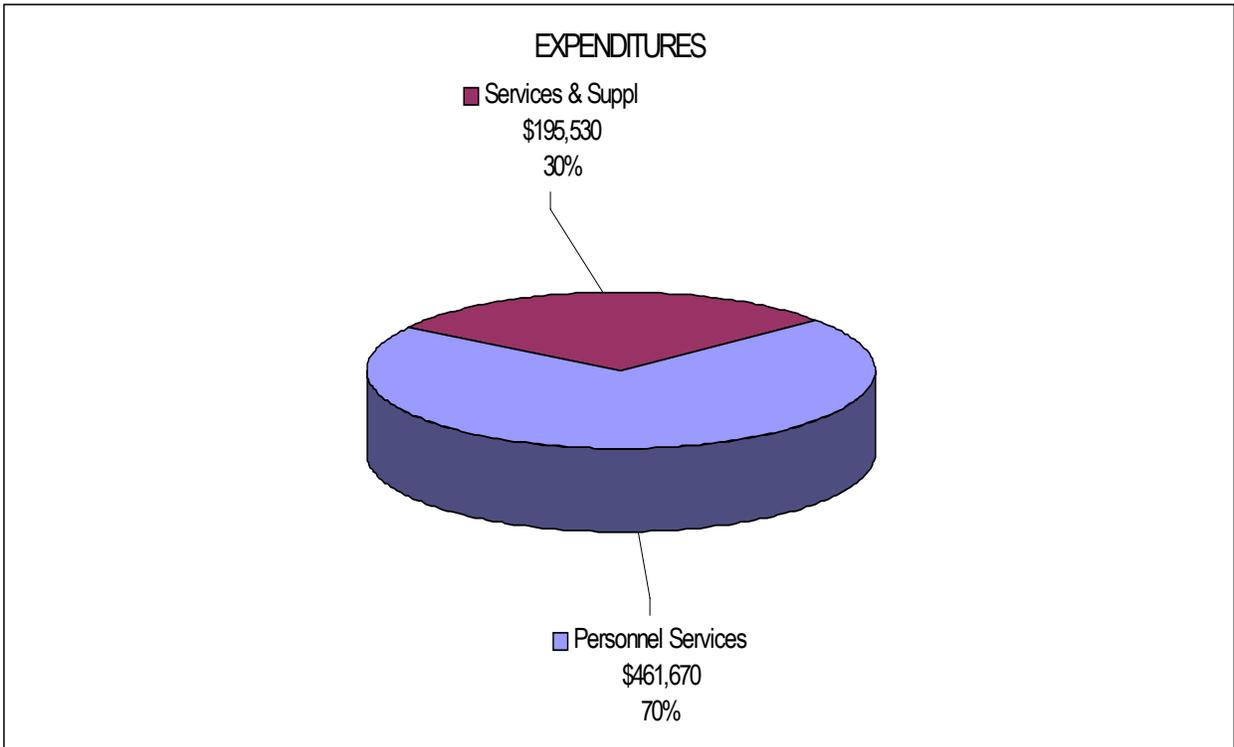
**Personnel Allotment of 5 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Manager	1	1		Executive Secretary	2	1	1
Assistant City Manager	1		1	Economic Devp Manager	1	0	1
				<b>TOTAL</b>	<b>5</b>	<b>2</b>	<b>3</b>

Staff Change(s): None.

**Expenditure Analysis**

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Increase attributed to new budget items of worker's compensation investigation consultant and strategic plan consultant.
Capital Outlay	None



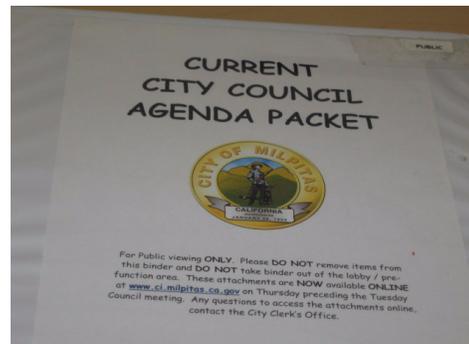
	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	409,132	356,722	320,332	322,624
4113 Overtime	(1,724)	(900)	0	0
4121 Allowances	0	796	0	0
4124 Leave Cashout	0	20,317	0	0
4131 PERS	77,321	69,834	67,704	74,564
4132 Group Insurance	40,193	34,624	36,984	40,464
4133 Medicare	5,957	5,606	4,670	4,696
4135 Worker's Compensation	1,338	1,663	1,586	1,586
4138 Deferred Comp-Employer	2,710	1,378	1,800	1,800
4161 Retiree Medical Reserve	22,350	19,308	15,936	15,936
<b>sub-total</b>	<u>557,277</u>	<u>509,348</u>	<u>449,012</u>	<u>461,670</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	341	0	0	0
4211 Equip Replacement Amortization	2,236	2,639	2,632	2,950
4220 Supplies	6,131	5,173	4,400	4,400
4230 Services	753,758	311,275	0	180,000
4501 Memberships and Dues	2,200	18,039	4,180	4,180
4503 Training	2,219	562	4,000	4,000
4520 Commissions and Boards	0	92	0	0
<b>sub-total</b>	<u>766,885</u>	<u>337,781</u>	<u>15,212</u>	<u>195,530</u>
<b>TOTAL</b>	<u><u>1,324,162</u></u>	<u><u>847,129</u></u>	<u><u>464,224</u></u>	<u><u>657,200</u></u>

<b>FUNCTION:</b>	<b>City Clerk</b>	<b>CITY CLERK: Mary Lavelle</b>
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*Description:* The City Clerk serves as the legislative administrator, elections official, and records manager for the City. Serves as Secretary to the Economic Development Corporation, Public Financing Authority and Housing Authority.

### Services

- Ensures municipal records are readily available and accessible to all and serve as main source of information for residents, City officials and staff, and other governments.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government ordinance.
- Provides centralized records management, including creating and retention of all meeting agendas and minutes of all City Council and other entity meetings.
- Coordinates outreach and tracking of appointments to 16 City Commissions.
- Administers codification of ordinances, i.e. maintenance of the Milpitas Municipal Code.
- Manages implementation of municipal elections, including candidate and campaign finance document filing, in November of even years.
- Receives and files annual Form 700/ Statements of Economic Interest for all designated employees, Commissioners and elected officials.
- Serves as a U.S. Passport Acceptance Agency for passport applications.
- Conducts Administrative Hearings, upon request, for Parking Citation violations.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Prepared all City Council meeting agendas and minutes for 22 regular meetings and one budget session	x		x		
2. Administered Municipal Election on November 6, 2012, including candidates' filing and reporting final results on December 5	x		x		
3. Collected required FPPC* filings (campaign documents and Conflict of Interest forms) and submitted appropriate forms to State of California	x			x	
4. With Departments, began implementing new Records Retention Schedule	x	x	x	x	
5. City Clerk staffed City Council Rules Subcommittee (through December) and Deputy City Clerk took Veterans Committee minutes	x		x		
6. Provided agendas, took minutes and attended new Oversight Board meetings through December	x		x		
7. Hosted annual meeting with Commission staff liaisons January 31	x				
8. Hired new Deputy City Clerk	x	x	x		
<b>2013-2014 Goals</b>					
1. Prepare all City Council, Economic Development Corporation, and Housing Authority meetings' agendas and minutes	x				
2. Continue Passport Acceptance Agency program, with a transition to service by appointment only	x	x	x	x	
3. Provide Deputy City Clerk with training toward Certification, and update City Clerk's training on notary public + hearing officer functions	x	x	x	x	
4. Continue responding to increasing Public Records Act requests	x	x			
5. Cull and destroy eligible records/files, per adopted schedule	x		x		
6. Provide Notary Public Service, as needed	x		x		

\*FPPC: Fair Political Practices Commission

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
City Council agenda items processed	395	406	350	350
Passport applications accepted	2,083	2,061	1,850	1,500
# of Candidates assisted in Municipal Election	12	n.a	9	n.a
# of Administrative Hearings conducted for Parking Violation Citation appeals	4	5	8	6

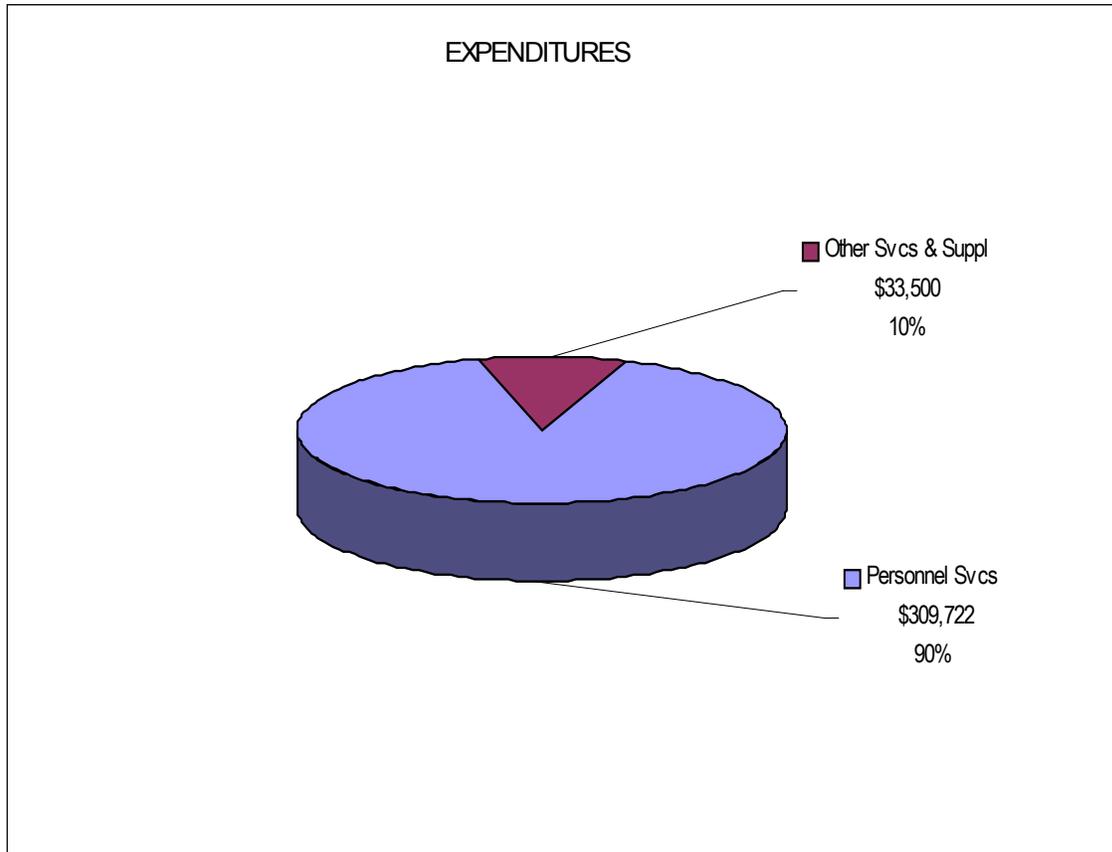
**Personnel Allotment of 3 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Clerk	1	1		Confidential Office Specialist	1		1
Deputy City Clerk	1	1					
<b>TOTAL</b>					<b>3</b>	<b>2</b>	<b>1</b>

Staff Change(s): Office Specialist position vacant since June 2012. Delete two Document Processing Technician positions and one Lead Document Processing Technician. These positions dictated police reports. Police Officers type their own reports now.

**Expenditure Analysis**

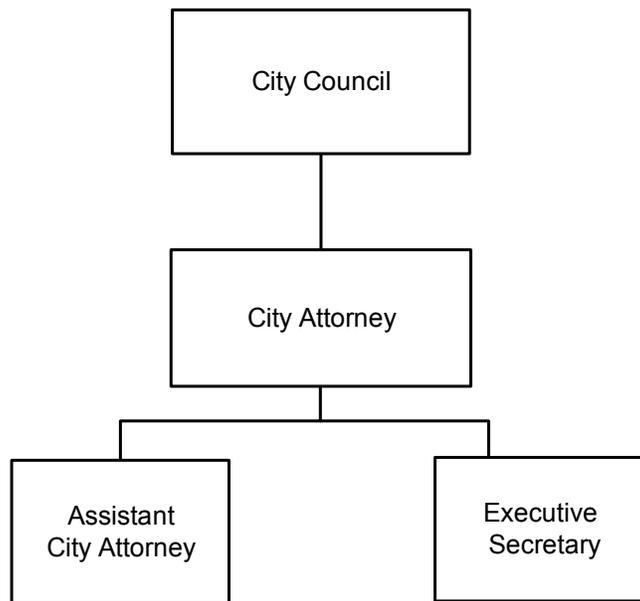
Personnel Services	Decrease attributed to defunding of one Office Specialist position.
Services and Supplies	No municipal Election scheduled in FY 2013-14.
Capital Outlay	None



	<b>Actual 2010-11</b>	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Approved 2013-14</b>
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	491,598	452,107	304,934	226,177
4113 Overtime	5,642	5,339	5,000	0
4121 Allowances	0	1,073	0	0
4124 Leave Cashout	12,941	23,399	0	0
4131 PERS	73,812	44,021	25,460	26,938
4132 Group Insurance	96,685	84,203	55,476	40,464
4133 Medicare	6,160	5,786	4,452	1,910
4135 Worker's Compensation	1,498	1,760	1,496	1,124
4138 Deferred Comp-Employer	2,710	1,620	2,700	1,800
4161 Retiree Medical Reserve	25,085	24,552	15,082	11,309
<b>sub-total</b>	<u>716,132</u>	<u>643,862</u>	<u>414,600</u>	<u>309,722</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4220 Supplies	1,517	1,153	3,000	3,000
4230 Services	39,189	21,885	40,000	27,000
4280 Elections	62,158	14,078	75,000	0
4501 Memberships and Dues	546	559	1,000	1,000
4503 Training	989	2,322	2,000	2,500
<b>sub-total</b>	<u>104,397</u>	<u>39,998</u>	<u>121,000</u>	<u>33,500</u>
<b>TOTAL</b>	<u><u>820,529</u></u>	<u><u>683,860</u></u>	<u><u>535,600</u></u>	<u><u>343,222</u></u>

## ***Mission Statement***

The Office of the City Attorney provides cost effective legal representation, analysis and guidance to the City Council and City staff at the highest level of professionalism.



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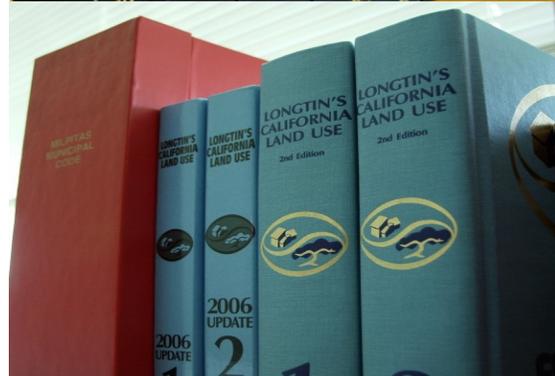
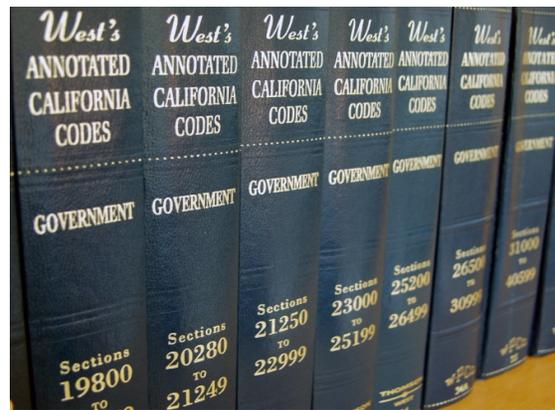
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<b>DEPARTMENT:</b>	<b>Office of the City Attorney</b>	<b>CITY ATTORNEY:</b> Michael J. Ogaz
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*Description:* This department provides general legal advice and services to the City Council, Housing Authority, City Commissions, City Manager, City departments and other entities as approved by City Council. The City Attorney’s department prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments thereto. This department also, at times, negotiates and drafts Memorandums of Understanding with the various employee labor groups and provides guidance in all personnel matters. This department represents the City in litigation.

**Services**

- General legal advice
- Employee labor group negotiations
- Litigation
- Employee training
- Compliance advice related to current and forthcoming federal and state regulations
- Housing Authority and RDA successor agency legal services
- Personnel advice
- Land use advice
- Conflict of Interest and Open Government guidance



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Provided superior, affordable, timely legal advice and service	x	x	x	x	x
2. Provided hands-on legal guidance through RDA wind down	x			x	
3. Defeated Appellate Court appeal in FEHA action	x			x	
4. Provided training on Brown Act, open government, ethics, sexual harassment, etc.	x		x	x	
5. Provided legal advice toward accomplishing balanced budget	x	x	x	x	x
6. Advised management through continuing labor negotiations	x		x		
7. Represented City in numerous administrative/court cases	x			x	
8. Supervised outside counsel on various administrative claims/actions against City	x			x	
9. Drafted land use entitlements/environmental clearance for large scale developments	x	x		x	
<b>2013-2014 Goals</b>					
1. Provide superior, affordable, timely legal advice and service	x	x	x	x	x
2. Provide legal guidance through continuing RDA wind down	x			x	
3. Oppose pending Appeals in two court cases	x			x	
4. Provide ongoing legal training to staff	x		x	x	x
5. Provide legal advice toward accomplishing balanced budget	x	x	x	x	x
6. Advice management through continuing labor negotiations	x		x		
7. Update City Council Handbook	x			x	
8. Complete third in series of Municipal Code updates	x			x	x

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
Agenda contracts drafted/reviewed/edited	118	109	90	95
Ordinances/resolutions drafted/reviewed/edited	105	112	95	100
Court /administrative proceeding appearances	23	*30	22	22
Contract complaints/agenda contracts	0/118	0/109	0/90	0/95
% of documents timely produced for agenda	100	100	100	100

\*Estimate only

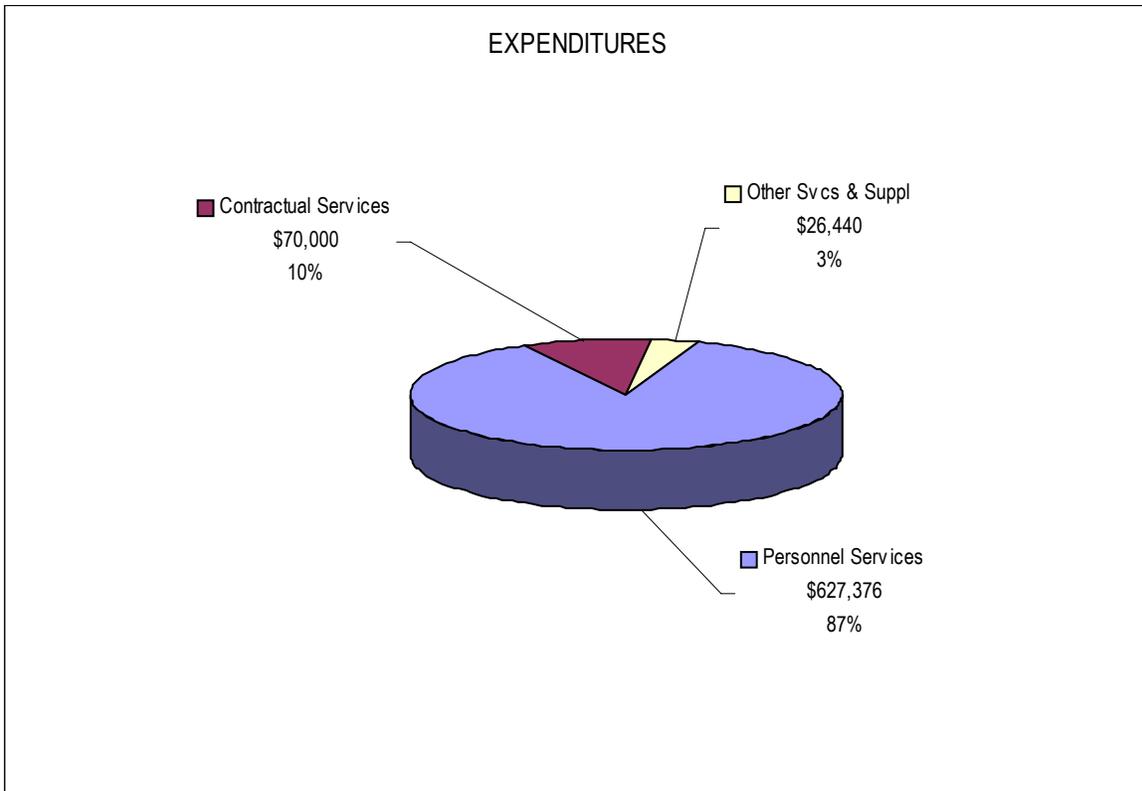
**Personnel Allotment of 4 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Attorney	1	1		Deputy City Attorney	1		1
Assistant City Attorney	1	1		Executive Secretary	1	1	
				<b>TOTAL</b>	<b>4</b>	<b>3</b>	<b>1</b>

Staff Change(s): None

**Expenditure Analysis**

Personnel Services	Increase due to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease due to reduced contractual services and reduced supplies need.
Capital Outlay	No change



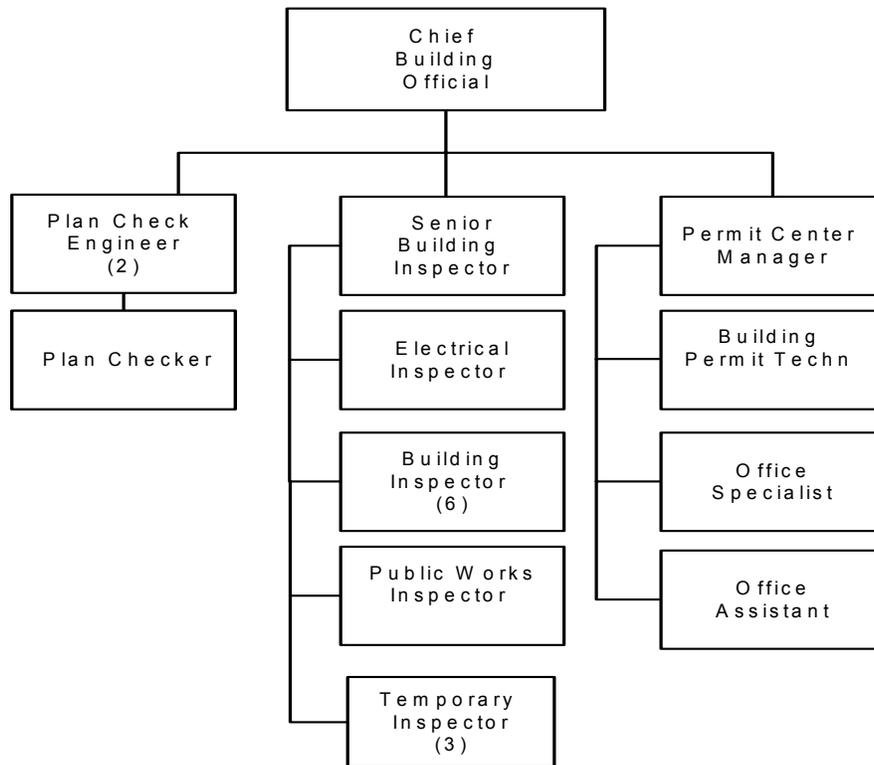
	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	498,145	499,967	431,258	445,822
4113 Overtime	16	(14)	0	0
4121 Allowances	1,156	1,142	0	0
4124 Leave Cashout	0	17,557	0	0
4131 PERS	88,134	76,201	62,952	87,224
4132 Group Insurance	55,936	60,033	55,476	60,696
4133 Medicare	7,260	7,671	6,304	6,512
4135 Worker's Compensation	1,625	2,199	2,154	2,222
4138 Deferred Comp-Employer	1,904	2,191	2,700	2,700
4161 Retiree Medical Reserve	26,987	26,736	21,468	22,200
<b>sub-total</b>	<u>681,163</u>	<u>693,684</u>	<u>582,312</u>	<u>627,376</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4220 Supplies	18,564	14,738	21,100	18,560
4230 Services	42,030	204,395	79,000	70,000
4410 Communications	0	0	0	1,440
4501 Memberships and Dues	914	1,350	820	840
4503 Training	2,598	3,085	6,350	5,600
<b>sub-total</b>	<u>64,106</u>	<u>223,567</u>	<u>107,270</u>	<u>96,440</u>
<b>TOTAL</b>	<u><u>745,269</u></u>	<u><u>917,252</u></u>	<u><u>689,582</u></u>	<u><u>723,816</u></u>

### **Mission Statement**

The Building and Safety Department is committed to fulfill the needs of our community and contribute to the City’s economic development. We are committed to providing courteous, prompt and professional services to all citizens through innovations, continuous improvements, determination and excellence in customer service. We build positive working relationships within the business community, consumers and citizens alike. We promote health and safety in public and private construction and safeguard citizens of the City through enforcement of California Building Codes, State and Federal regulations and City standards. We work to promote and ensure that new structures and public improvements construction meets all required standards of safety, and that existing structures are maintained in safe conditions.

### **Functions**

- Plan Check
- Administration
- Permit Center
- Building Inspection
- Public works Inspection



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<b>DEPARTMENT:</b> Building and Safety	<b>CHIEF BUILDING OFFICIAL:</b> Keyvan Irannejad
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*Description:* This Department is responsible for implementation of life safety and quality standards in private and public construction achieved by enforcing California Building Codes, State and Federal regulations and City standards that pertain to physical development of the City. The Department’s five functions include: Building Inspection Services, Plan Checking Services, Building Administration, Permit Center, and Public Works Inspection Services.

**Services**

- Reviews construction plans and documents to ensure safety through compliance with technical codes, State and local regulations and acceptable engineering practices.
- Provides inspections, including occupancy inspections, to ensure safety of occupants and that buildings, streets, public utilities, parks and community projects are constructed in accordance with approved plans and applicable State and local regulations.
- Schedules inspections, provides access to inspection results and plan check status using Integrated Voice Recognition System (IVR), on-line or by phone.
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance using “One Point of Contact” approach.
- Issues permits, including permits submitted by fax, on-line and by mail.
- Processes permit applications, collects permit fees, performs records research, and maintains the building plans and records.
- Provides permit submittal information to the public and responds to codes-related questions in person, by telephone, e-mails and through web site.
- Provides general information related to City services and operations. Directs customers to proper City staff members, Departments and outside agencies.
- Provides and updates submittal requirements, checklists, design guidelines and pamphlets to explain how to obtain permits and comply with construction requirements.
- Develops and updates easy-to-follow web site allowing customers to receive up-to-date information on code requirements, submit permit applications, obtain submittal requirements and ask questions and other related information.
- Provides after business hours and weekend inspections. Meets with design professionals, homeowners and contractors to assist them in the timely issuance of permits and completion of projects including after business hours. Provides same day plan check services.
- Provides assistance to the Community Development Block Grant (CDBG) Housing Rehabilitation Program to enhance the quality of life for low-income families.
- Provides assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provides assistance and inspections to mobile home parks.
- Provides Code Enforcement to correct Health and Safety Code violations.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Achieved highest rating in ISO quality standards, making Milpitas one of the very few cities in California with this top rating.	X	X		X	X
2. On-line plan submittal permitting process was developed and launched by in-house staff and the types of permits available for issuance on-line were increased.	X	X	X	X	
3. Introduced on-line encroachment permits.	X	X	X	X	X
4. Computerized Public Works Daily inspection reporting and Time Tracking systems.	X		X	X	
5. Continued to utilize same inspector from start to finish for private and public projects, provided same day and outside business hours services as requested.	X	X		X	X
6. Participated in outreach event hosted in public schools, in Building Safety Month and published newsletter to promote building safety awareness in the community.	X	X			X
7. Introduced computerized customer satisfaction survey and received highest customer satisfaction rating.	X	X			X
<b>2013-2014 Goals</b>					
1. Streamline and automate occupancy certification process.	X	X	X	X	X
2. Improve the on-line plan submittal process with feedback from customers.	X	X		X	
3. Improve, enhance and automate Code Enforcement procedures.	X	X	X	X	X
4. Continue to assist Fire and Police Department, respond to emergency incidents.	X				X
5. Continue web site enhancement by updating plan check and inspection checklists, submittal requirements and enhance the "Business Resource Center".	X	X		X	
6. Continue cross-training of staff to improve consistency and efficiency.	X		X	X	X
7. Continue to improve our image to public through community outreach, education, and meetings with industry and to streamline permitting process.	X	X	X	X	X

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
New Construction Valuation (Millions)	\$109	\$141	\$200	\$250
Total Building Permits Issued/Avg. Permits Issued per day	2,665/11	3,306/13	3,400/13	3,400/13
Total Plan Checks /% Express Plan Checks *	741/63	1,059/60	1,100/60	1,100/60
Number of Customers Served/Avg. Waiting Time to assist customers (minutes)	5,949/1.5	5,467/1.5	5,900/1.5	6,000/1.5
Daily Inspections per Inspector/Avg. Min. **	5/45	8/45	10/35	10/35
Customer Survey overall rating Excellent / Good	100%	100%	99%	99%
Plan Checks completed on schedule	100%	98%	98%	90%
Inspections completed on requested time	99%	100%	99%	99%
Accuracy of building plan check	100%	99%	99%	99%
Respond to after-hour emergency inspections	100%	100%	100%	100%

NOTE: \* Express projects performed over the counter/same day.

\*\* Inspections (building and misc.). Include inspection time travel, paperwork, computer input and phone calls. Public Work Inspections are not included.

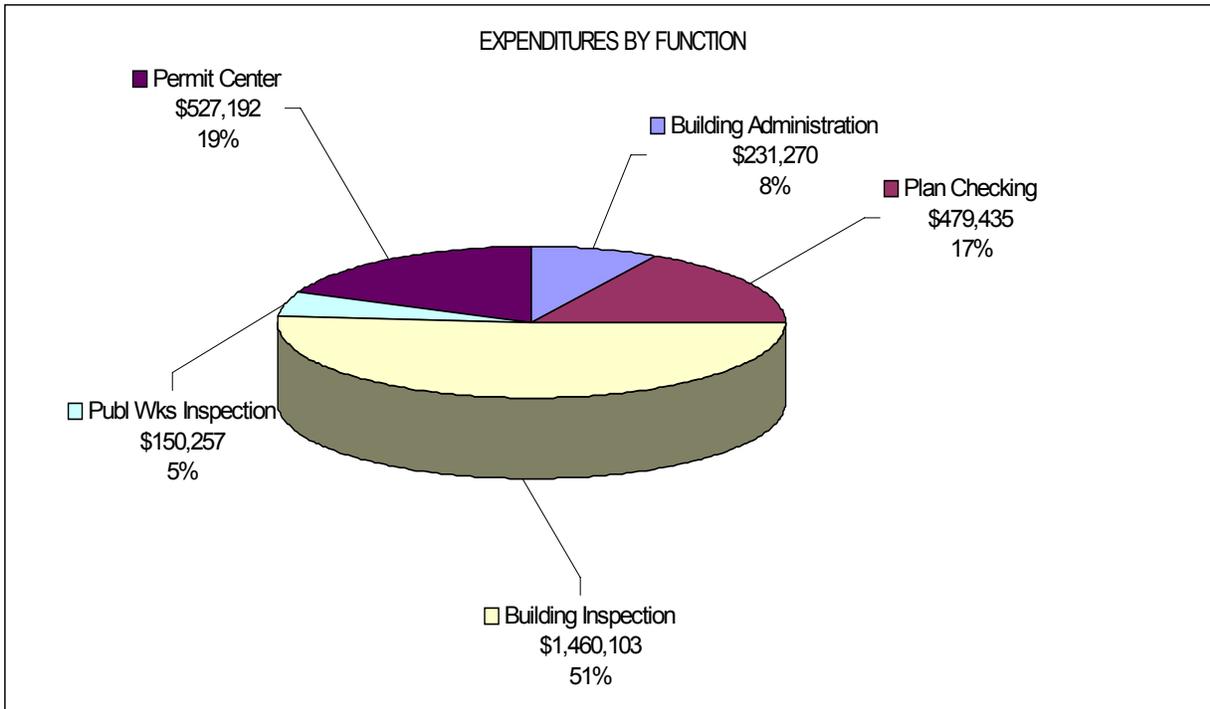
**Personnel Allotment of 31 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Chief Building Official	1	1		Public Works Inspector	4	1	3
Building/NP Inspector	7	6	1	Sr Public Works Inspector	1		1
Electrical Inspector	2	1	1	Plan Check Engineer	4	2	2
Plan Checker	1	1		Building Permit Technician	3	1	2
Sr Building Inspector	1	1		Office Assistant II	1	1	
Permit Center Manager	1	1		Office Specialist	1	1	
Sr Plan Check Engineer	1		1	Temporary Positions (FTE)	3	3	
				<b>TOTAL</b>	<b>31</b>	<b>20</b>	<b>11</b>

Staff Change (s): Fund two Building Inspector positions, one Public Works Inspector, and three temporary inspectors.

**Expenditure Analysis**

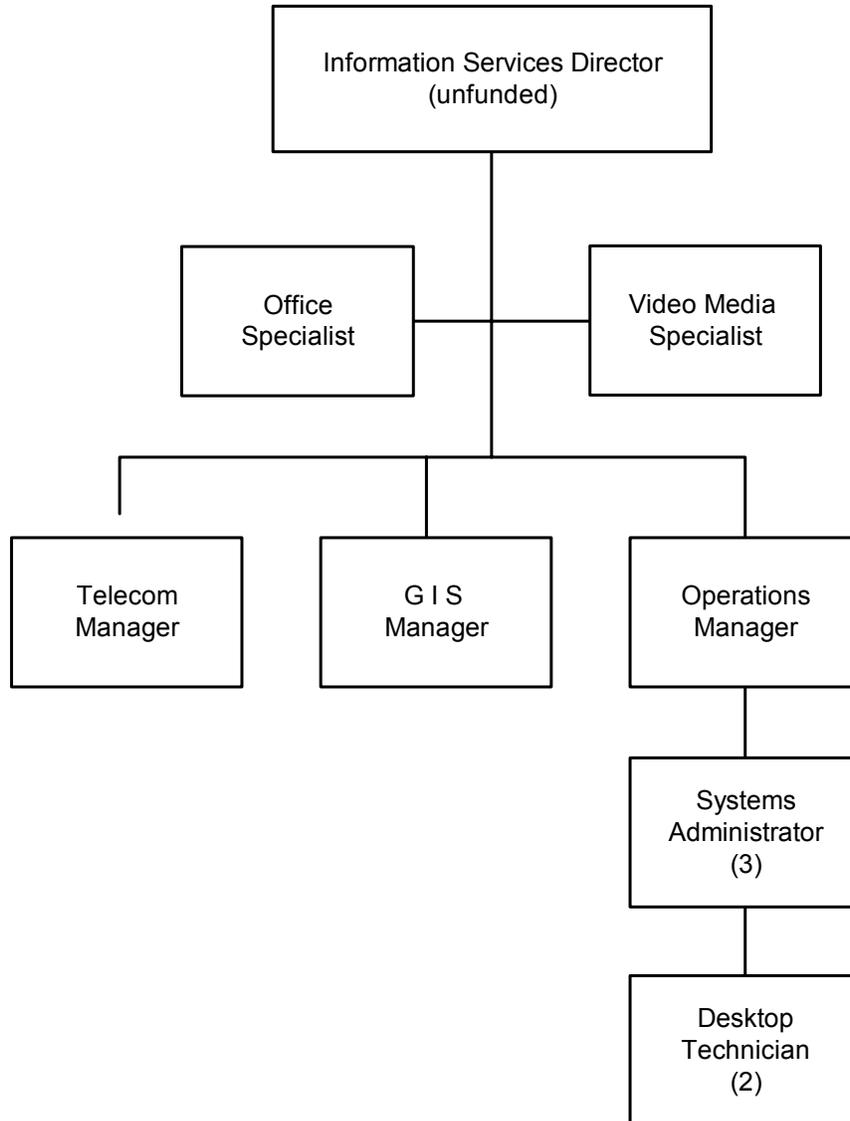
Personnel Services	Increase attributed to funding of 3 permanent positions and 3 temporary positions. The housing construction projects have picked up substantially.
Services and Supplies	Increase attributed to increases of credit card charges, microfilming services, etc. that are associated with new constructions projects.
Capital Outlay	None



	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,362,772	1,398,306	1,482,630	1,780,368
4112 Temporary Salaries	0	4,557	0	307,752
4113 Overtime	(956)	23,394	18,000	48,000
4124 Leave Cashout	33,529	83,935	0	0
4131 PERS	204,632	77,994	79,762	222,268
4132 Group Insurance	234,727	230,408	258,888	343,944
4133 Medicare	18,453	19,658	19,820	29,316
4135 Worker's Compensation	24,363	26,374	29,686	43,135
4138 Deferred Comp-Employer	1,807	1,842	1,800	1,800
4139 PARS	0	68	0	0
4143 Charged to CIPs	0	0	(179,322)	(140,000)
4161 Retiree Medical Reserve	87,284	89,940	73,956	88,824
<b>sub-total</b>	<u>1,966,611</u>	<u>1,956,476</u>	<u>1,785,220</u>	<u>2,725,407</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	29,507	25,182	22,197	21,595
4220 Supplies	12,380	6,498	23,975	28,525
4230 Services	53,940	106,992	44,550	54,550
4501 Memberships and Dues	1,317	1,380	1,530	1,530
4503 Training	4,218	4,266	15,900	16,650
<b>sub-total</b>	<u>101,363</u>	<u>144,319</u>	<u>108,152</u>	<u>122,850</u>
<b>TOTAL</b>	<u><u>2,067,974</u></u>	<u><u>2,100,795</u></u>	<u><u>1,893,372</u></u>	<u><u>2,848,257</u></u>

## **Mission Statement**

The Information Services Department supports the operations of the City by providing high quality, reliable and cost effective services in the areas of telecommunications, data processing, desktop support and technology project management.



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<b>DEPARTMENT:</b>	<b>Information Services</b>	<b>ACTING IS DIRECTOR: Mike Luu</b>
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*Description:* This department provides automation planning, coordination of system procurement and implementation, management of technology projects to fulfill customer-defined functional requirements, development and maintenance of the City's technical architecture and infrastructure, partnering with key product and service providers, ensuring customer satisfaction, providing automation support and training development, support of the City's web site, Cable TV channel, AM radio station and public-access TV studio, implementation and support of security access systems and all automated data systems. Additionally, Information Services is responsible for the City's public information function.

## Services

- Strategic Planning – This service includes maintaining and updating the City's Telecommunications Master Plan in addition to providing the technology planning and support for each department to achieve their annual goals and objectives.
- Project Management – One of the key services provided by the Information Services Department includes project management for both large and small technology projects. These services range from small projects to large multi-year efforts.
- Development and support of the technical architecture and infrastructure. This service includes the maintenance and support of the City's telephone systems, mobile phone and data services, metropolitan-area fiber optic network, paging, radio, video, remote communications and the wired and wireless computer networks.
- Development and support of the City's website, cable TV channel and AM radio system. This service serves City staff, City residents and visitors, both locally and foreign. One of fastest and easiest ways to evaluate a city as a potential site for starting a business is by visiting that City's website. Since first impressions are lasting impressions, this service provides an invaluable opportunity to advertise the benefits of doing business within the community.
- Implementation and operation of the City's security access and control systems. It is essential to protect City assets, especially given the times we operate and live in. This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.
- Management and support of the complex information systems. The City supports a data network of more than 65 servers, 500 computers, 80 laptops and 120 printers. It is critical to continuously maintain and upgrade these systems to ensure highest possible availability for all business users.
- Development and support of the City's Geographic Information System. The GIS system supports the work of virtually all departments within the City. From the 911 emergency computer-aided dispatch system to the notification of residents regarding pending zoning actions, the GIS system is used widely to support all of the City's business functions.
- Support of the Public Information function. This service includes acting as the City's liaison for information dissemination through the City's website, cable TV channel and AM radio station. It also includes the duties and responsibilities associated with performing the role of Public Information Officer during times of emergencies.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Council Chamber A/V upgrade	x	x		x	
2. Fire Mobile Computer upgrade (Phase I)	x	x		x	x
3. Phone System upgrade	x	x		x	
4. E-Plans Application	x	x		x	
5. Exchange 2010 Upgrade	x	x		x	
<b>2013-2014 Goals</b>					
1. Implement Web Content Management	x	x		x	
2. 2 Factors Authentication	x	x		x	x
3. Office 2013 Upgrade	x	x		x	x
4. Fire Mobile Computer Upgrade (Phase II)					

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
Network Availability <sup>A</sup>	99.95%	99.99%	99.9%	99.9%
Percent of service requests completed within 1 hour		60.00%	60.00%	60.00%
Server Availability <sup>A</sup>	99.97%	99.97%	99.50%	99.50%
Website Availability <sup>A</sup>	100%	100%	99.50%	99.50%

NOTE: A=Scheduled down time for maintenance is excluded.

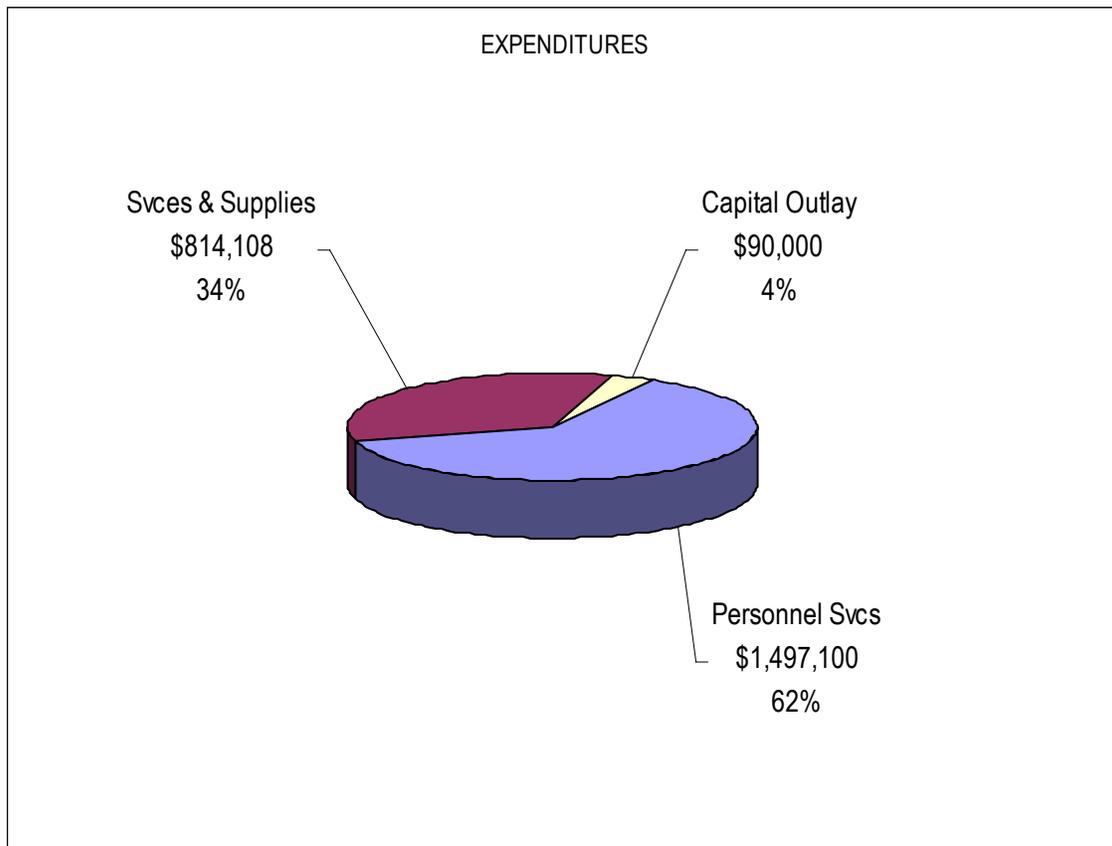
**Personnel Allotment of 15 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Information Services Director	1		1	Systems Administrator	4	3	1
Video Media Specialist	1	1		G I S Manager	1	1	
Telecom Manager	1	1		Desktop Technician	4	2	2
Network Manager	1		1	Office Specialist	1	1	
Operations Manager	1	1					
<b>TOTAL</b>					<b>15</b>	<b>10</b>	<b>5</b>

Staff Change(s): Unfund the Information Services Director due to retirement.

**Expenditure Analysis**

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Increase attributed to routine increases of annual software maintenance fees and lease payment of a new telephone system.
Capital Outlay	None.



	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,381,908	1,437,338	1,260,174	1,115,030
4112 Temporary Salaries	6,652	17,155	0	0
4113 Overtime	38	254	0	0
4124 Leave Cashout	7,029	42,430	0	0
4131 PERS	206,649	156,835	74,342	97,136
4132 Group Insurance	219,191	202,726	203,412	202,320
4133 Medicare	20,099	22,096	18,390	16,276
4135 Worker's Compensation	4,642	4,742	6,284	5,454
4138 Deferred Comp-Employer	8,131	8,177	7,200	6,300
4139 PARS	96	261	0	0
4142 Vacancy Factor	0	0	(162,735)	0
4161 Retiree Medical Reserve	77,460	74,412	62,840	54,584
<b>sub-total</b>	<u>1,931,896</u>	<u>1,966,427</u>	<u>1,469,907</u>	<u>1,497,100</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	7,683	7,067	7,048	8,208
4220 Supplies	27,771	16,718	10,000	12,000
4230 Services	496,739	473,149	557,645	638,400
4410 Communications	184,806	165,589	144,000	152,000
4501 Memberships and Dues	150	25	0	0
4503 Training	4,969	791	0	3,500
<b>sub-total</b>	<u>722,118</u>	<u>663,340</u>	<u>718,693</u>	<u>814,108</u>
<b>CAPITAL OUTLAY</b>				
4920 Machinery Tools & Equipment	123,342	85,121	90,000	90,000
<b>sub-total</b>	<u>123,342</u>	<u>85,121</u>	<u>90,000</u>	<u>90,000</u>
<b>TOTAL</b>	<u><u>2,777,356</u></u>	<u><u>2,714,887</u></u>	<u><u>2,278,600</u></u>	<u><u>2,401,208</u></u>

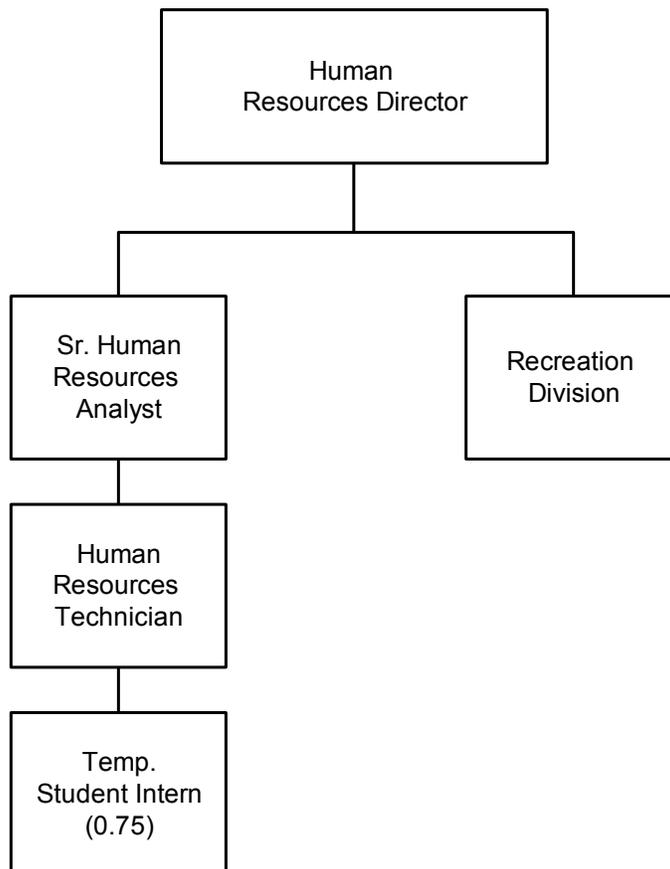
### **Mission Statement**

The Human Resources and Recreation Services Department is committed to:

Providing excellent service to all customers; and inclusive work environment which reflects and supports the diversity of our community and our workforce; treating all individuals with fairness, dignity, and respect; continuous improvement in personal, professional, and leadership development and promoting balance between work and family and a friendly work environment.

### **Divisions**

Human Resources  
Recreation Services



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<b>DIVISION:</b>	<b>Human Resources</b>	<b>HR DIRECTOR: Carmen Valdez</b>
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**Description:** This department is a centralized full-service department that provides Citywide services including: recruitment, benefits administration, a self-funded workers' compensation program, labor negotiations, administration of memorandum of understanding with the various employee groups, employee relations, the safety program, compliance with State and Federal employment laws, training and maintenance of personnel systems and files.

## Services

- **Recruitment** - The Human Resources (HR) Department is committed to finding top-quality candidates in a timely manner. The department takes an aggressive approach in identifying and recruiting the most qualified candidates for all positions.
- **Benefit Administration** - The HR Department provides benefit administration services to approximately 350 active employees with an excellent benefit package that includes medical coverage through CalPERS. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation and the Employee Assistance Program (EAP).
- **Workers' Compensation** - The City is self-insured for workers' compensation contracted through a Third Party Administrator, York. Staff works closely with York to ensure that all injured employees are receiving the proper care for their work-related injuries.
- **Labor Relations** - The HR Department negotiates on behalf of the City and oversees six separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- **Employee Relations and Customer Service** - The HR Department treats all employees and residents with dignity and respect. One of the department's goals is to maintain productive and positive employer-employee relationships while ensuring the highest level of service to those we serve.
- **Training** - The HR Department coordinates all state mandated trainings, such as: employee safety, benefits, Department of Transportation, and ergonomics trainings.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Adhered to the Healthcare Reform Act for the year 2013.	x		x	x	
2. Implemented the Public Employees' Pension Reform Act of 2013 (PEPRA).	x		x	x	
3. Finalized and submitted the Civil Grand Jury Report on pensions and health care for the City of Milpitas employees.	x		x	x	
4. Successfully recruited for top level managers in the Police and Planning Department.	x	x	x		
5. Successfully completed negotiations with Mid/Con and Protech	x		x	x	
6. Continued to work on recruitments on a timely basis for all departments. To date approximately 25 recruitments have been finalized.	x		x	x	
<b>2013-2014 Goals</b>					
1. Develop and implement an expanded new employee orientation program that includes an inventory checklist for equipment, keys, supplies, etc. that are issued to all employees.	x	x	x		
2. Update the Family Medical Leave Act Policy to include new changes to the program including Military Leave.	x	x	x	x	x
3. Finalize a Fitness for Duty Program, a Short Term Disability Program and a Modified Duty Program.	x	x	x	x	x
4. Implement PAR evaluations Forms to effectively evaluate employee performance.	x	x	x		
5. Finalize negotiations with MEA, POA, and IAFF	x	x	x	x	

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
Percentage of workplace issues resolved without escalating to formal grievance*.	100	75	75	75
Percentage of Personnel Action Forms processed accurately.	99	100	99	100
Percentage of employees returned to modified or full duty within 90 days after a Workers Compensation injury*.	35	30	50	50
Percentage of benefit and address changes processed accurately within 10 days of receipt*.	98	100	99	100

\* New performance measures effective 2013-14

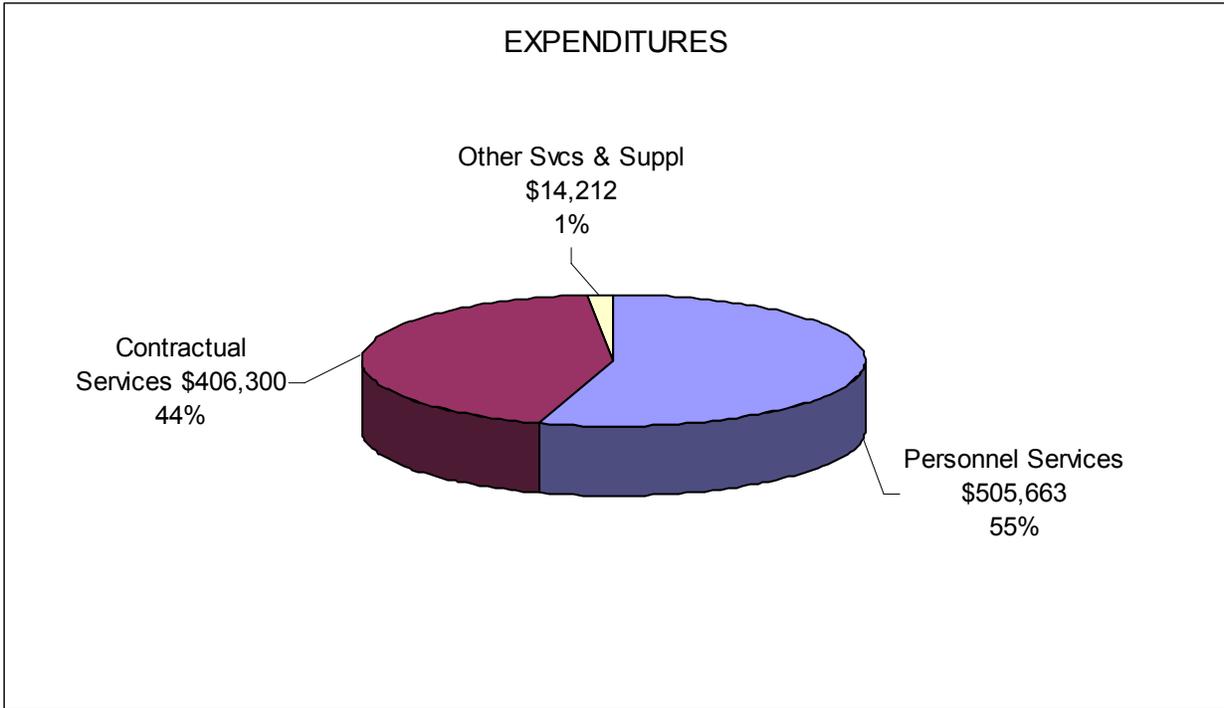
**Personnel Allotment of 6.75 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Human Resources Director	1	1		Human Resources Tech	1	1	
Sr. Human Resrce Analyst	1	1		Human Resources Assist II	1		1
Human Resrce Analyst I/II	2		2	Temporary Positions (FTE)	0.75	0.75	
				<b>TOTAL</b>	<b>6.75</b>	<b>3.75</b>	<b>3</b>

Staff Change(s): Fund additional 0.25 FTE Student Intern due to workload.

**Expenditure Analysis**

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease due to reduced Excess Worker's Compensation Insurance premium.
Capital Outlay	No change



	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	307,022	325,986	335,030	350,716
4112 Temporary Salaries	7,384	14,648	15,600	25,600
4113 Overtime	0	0	1,000	1,000
4121 Allowances	0	1,142	0	0
4124 Leave Cashout	70	211	0	0
4131 PERS	46,051	41,033	29,606	39,742
4132 Group Insurance	46,433	46,937	55,476	60,696
4133 Medicare	4,588	5,079	5,118	5,485
4135 Worker's Compensation	1,045	1,402	1,752	1,880
4138 Deferred Comp-Employer	2,710	1,620	2,700	2,700
4139 PARS	106	224	234	384
4161 Retiree Medical Reserve	16,592	16,104	16,680	17,460
<b>sub-total</b>	<u>432,001</u>	<u>454,385</u>	<u>463,196</u>	<u>505,663</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	3,085	0	0	6,000
4220 Supplies	2,384	2,320	1,000	2,000
4230 Services	342,649	371,255	446,377	406,300
4410 Communications	32	0	0	0
4501 Memberships and Dues	895	895	2,212	2,212
4503 Training	4,183	898	4,000	4,000
<b>sub-total</b>	<u>353,227</u>	<u>375,368</u>	<u>453,589</u>	<u>420,512</u>
<b>TOTAL</b>	<u><u>785,227</u></u>	<u><u>829,753</u></u>	<u><u>916,785</u></u>	<u><u>926,175</u></u>

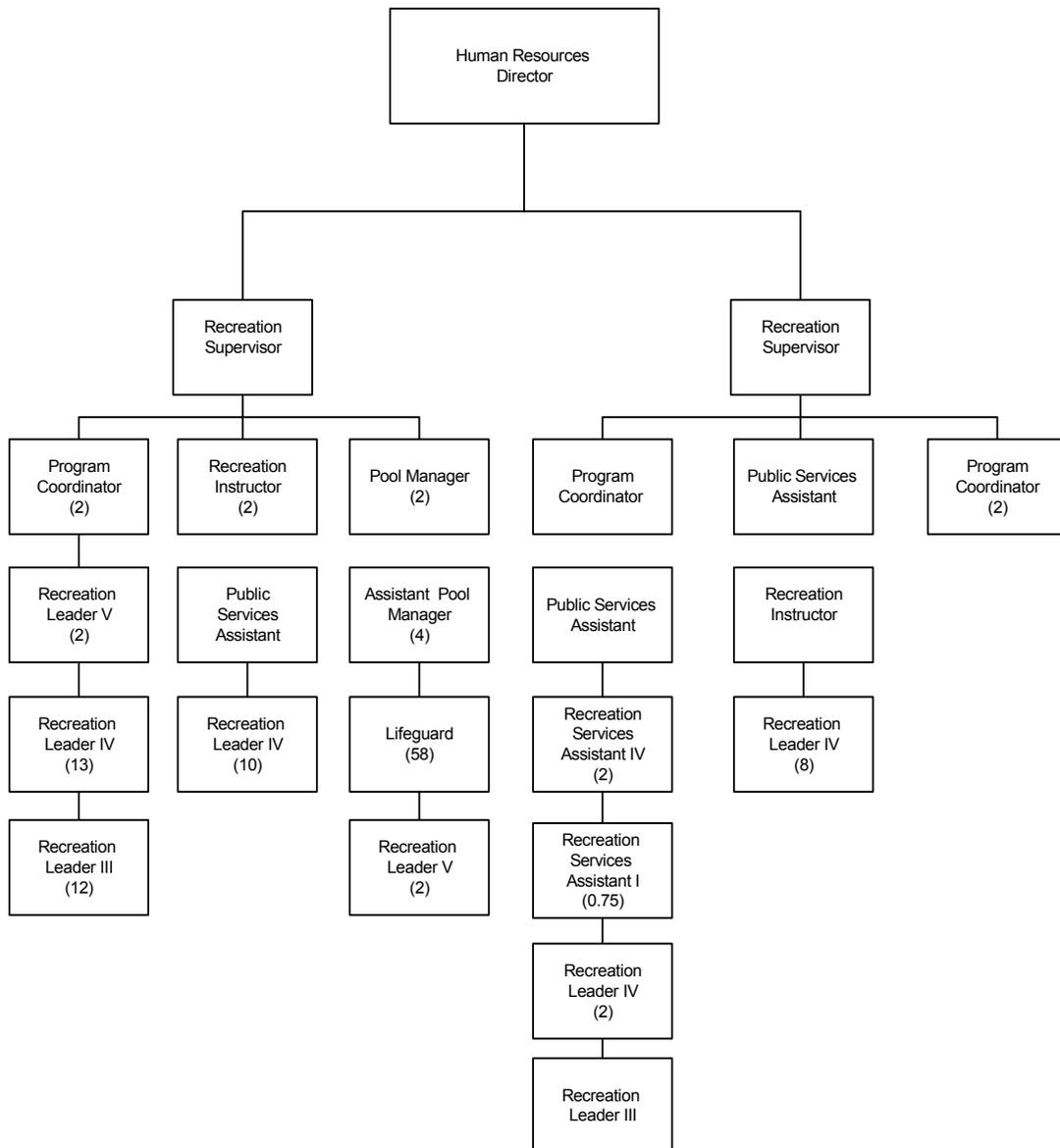
**Mission Statement**

The City of Milpitas Recreation Services' mission is to enrich our community through exceptional programs and services.

Our vision is to provide endless opportunities to our residents that strengthen community image and sense of place, support economic development, promote health and wellness, foster human development, increase cultural unity, facilitate solutions to community needs and provide recreational experience while preserving and enhancing our city resources.

**Division**

Recreation Services



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<b>DIVISION:</b>	<b>Recreation Services</b>	<b>HR DIRECTOR:</b> Carmen Valdez
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*Description:* This department provides recreational opportunities, parks and facilities for all residents of Milpitas. We are committed to enhancing the quality of life and providing recreational opportunities to our residents that strengthen community image and sense of place, support economic development, promote health and wellness, foster human development, increase cultural unity, facilitate solutions to community needs and provide recreational experiences while preserving and enhancing our city resources.

## Services

- Oversees indoor/outdoor facility rentals, offers a Recreational Assistance program, coordinates citywide special events, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes Recreation Activity Guide, and staffs six City Commissions.
- Monitors daily operation of the Senior Center that provides a daily lunch program, a wide variety of drop-in programs, trips, classes, specials events and social services.
- Provides a volunteer program where over 600 individuals serve their community.
- Oversees the operation of a Sports Center with a full service Fitness Center, fitness and wellness classes, personal training, aquatic classes, lap swimming, adult and youth sports programs and more.
- Offers Cultural Arts programs, the Phantom Art Gallery, Center Stage Performing Arts, Community Band, and the Milpitas Art and Cultural Grant Program.
- Provides a variety of youth programs for all ages. We offer a multitude of programs for children ages 2-5, which provide enriching experiences and emphasizes learning through active play and socialization. Recreation also offers a preschool age enrichment program offered through Elan Espirit. For older youth ages 6-12, Recreation offers a variety of youth sports leagues, classes, specialty camps and weekly summer camps which provides recreational opportunities for children to promote healthy living and socialization. During the school year, grades 1-6 can attend After the Bell, which is offered at four school sites and provides a variety of enrichment activities.
- Provides over 715 contract classes, for youth and adults to promote health and wellness and developmental opportunities for the community.



Recreation

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Successfully partnered with Pacific Autism Center for Education (PACE) and MUSD to provide volunteer opportunities to special needs youth and adults.	x	x			
2. The Milpitas Tidal Waves successfully raised \$3,400 at their 4th Annual Swim-a-Thon fundraiser to offset the cost of supplies and equipment.				x	
3. Increased enrollment for the Summer Day Camp (714 to 809) and After the Bell (254 to 270) programs	x			x	
4. Processed 1,180 Senior Center memberships and served 772 clients through the Case Manager in the first half of the fiscal year.	x	x			x
5. Successfully maintained a Children's Theatre program through a new contract format and increased audition participation through heightened marketing efforts.	x			x	
<b>2013-2014 Goals</b>					
1. Introduce new classes and services to provide additional opportunities to underserved citizens of the community.	x	x			
2. Increase volunteer involvement in city-wide projects/events by outreaching to Community Groups and businesses, and offering Volunteer Training Workshops.	x	x		x	
3. To upgrade Recreation Software Safari to ActiveNet to ensure continuation of online registration and current customer information.	x			x	
4. To renegotiate the percentage payment to recreation instructors to increase department revenue.				x	
5. Implement 2 year Public Art Master Plan placing 5 public art pieces and conducting 2 maintenance renovation projects on existing public art pieces.		x			

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
Senior Center Members	1,875	1,525	1,600	1,650
Contract Class Revenue	\$400,511	\$404,781	\$408,000	\$410,000
Contract Class Enrollment	3,658	3,538	3,600	3,650
Teen Center Rentals	4	5	25	35

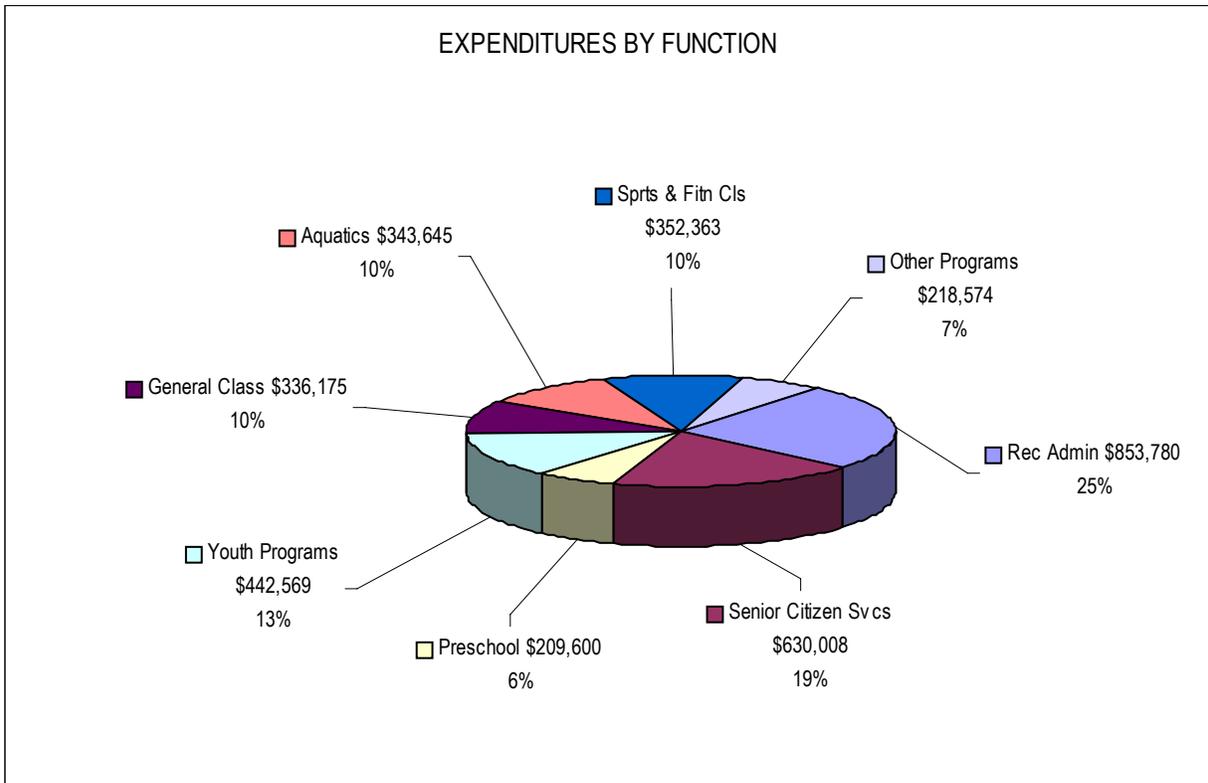
**Personnel Allotment of 56.75 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Parks and Rec Director	1		1	Recreation Services Asst I	0.75	0.75	
Recreation Services Supv	3	2	1	Recreation Services Asst II	1.75		1.75
Recreation Services Mgr	1		1	Recreation Services Asst III	0.75		0.75
Program Coordinator	6	5	1	Recreation Services Asst IV	4.25	2	2.25
Office Assistant II	2		2	Temporary Positions (FTE)	31.25	31.25	
Public Services Asst II	5	3	2				
				<b>TOTAL</b>	<b>56.75</b>	<b>44</b>	<b>12.75</b>

Staff Change(s): Unfund one Office Assistant position.

**Expenditure Analysis**

Personnel Services	Decrease attributed to unfunding of one vacant Office Assistant position.
Services and Supplies	Increase attributed to increased expenses associated with registration system upgrade.
Capital Outlay	None



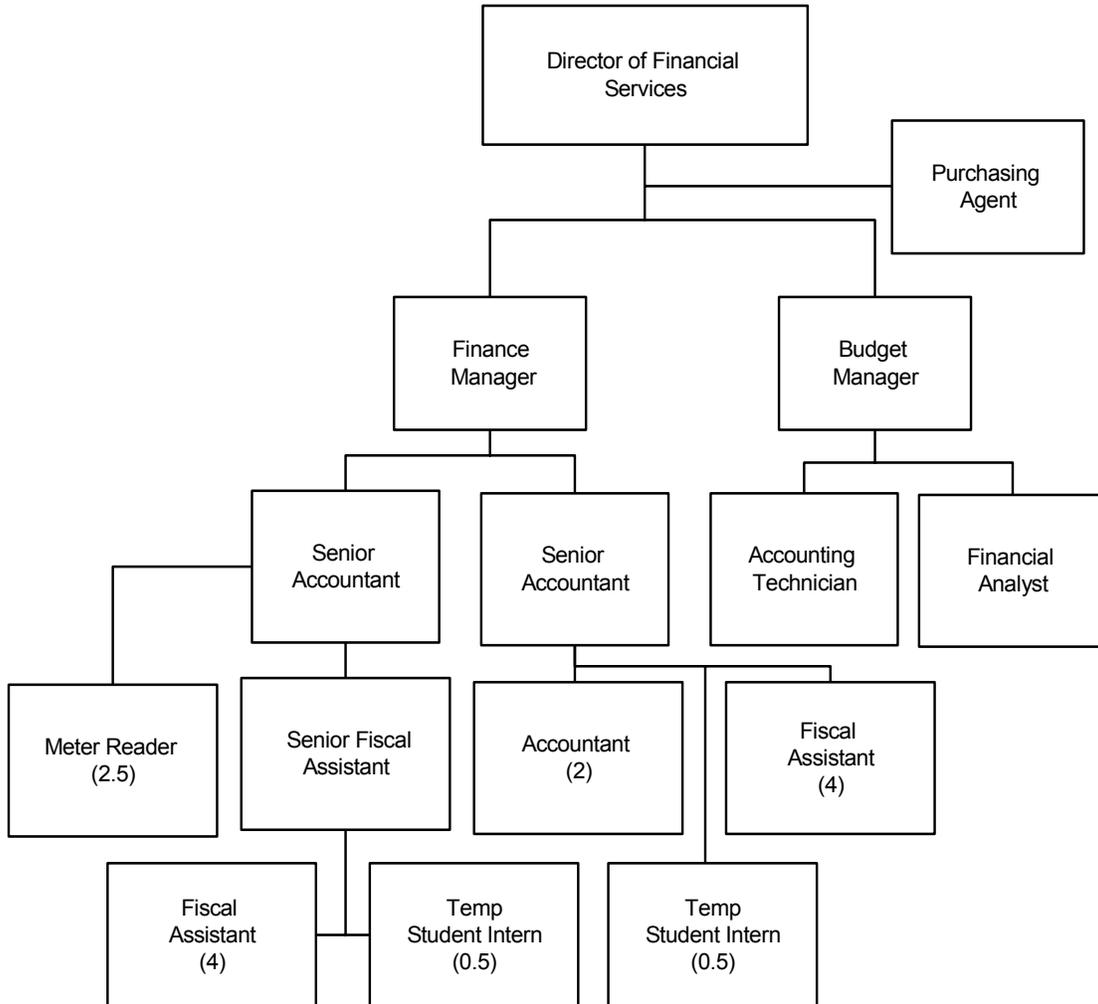
	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,286,272	1,249,626	1,020,927	936,944
4112 Temporary Salaries	832,474	837,697	813,199	837,047
4113 Overtime	6,331	7,934	7,000	7,000
4124 Leave Cashout	11,413	115,145	0	0
4131 PERS	206,597	86,796	62,771	116,263
4132 Group Insurance	288,412	263,254	254,268	257,964
4133 Medicare	29,666	32,458	25,072	24,741
4135 Worker's Compensation	12,484	12,361	15,657	15,855
4138 Deferred Comp-Employer	2,710	2,312	1,800	1,800
4139 PARS	11,158	11,789	10,378	9,872
4161 Retiree Medical Reserve	68,932	67,867	50,988	46,790
<b>sub-total</b>	<u>2,756,451</u>	<u>2,687,238</u>	<u>2,262,060</u>	<u>2,254,276</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	18,755	11,957	10,265	10,265
4211 Equip Replacement Amortization	32,754	29,716	26,605	26,051
4220 Supplies	132,921	118,759	135,037	124,159
4230 Services	713,530	590,160	901,640	963,033
4501 Memberships and Dues	905	645	1,765	1,425
4503 Training	800	509	5,550	5,905
4600 Ins, Settlements & Contgcy	1,105	972	1,600	1,600
<b>sub-total</b>	<u>900,771</u>	<u>752,719</u>	<u>1,082,462</u>	<u>1,132,438</u>
<b>TOTAL</b>	<u><u>3,657,222</u></u>	<u><u>3,439,957</u></u>	<u><u>3,344,522</u></u>	<u><u>3,386,714</u></u>

### Mission Statement

The Finance Department is dedicated to providing accurate, credible and timely financial information to support sound fiscal management and professional customer service to the residents and business community.

### Divisions

Administration  
Operations



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<b>DEPARTMENT:</b>	<b>Finance</b>	<b>FINANCE DIRECTOR:</b> Emma Karlen
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*Description:* This department provides management of the City's financial operations in accordance with established fiscal policies. The department is organized in two divisions, Administration and Operations; each provides essential customer services and internal support to City departments.

## Services

- Acts as an advisor to the City Manager, City Council and Departments in the areas of financial planning and fiscal analysis. Provides leadership in the development and implementation of sound financial policies for the City.
- Coordinates the preparation of the Annual Operating Budget that includes projection of revenues and expenditures, organizing and publication of the adopted budget document.
- Invests the City's idle cash to ensure that there is sufficient cash flow to meet operating needs while maintaining safety, liquidity and competitive returns on the investment portfolio.
- Manages the City's and Successor Agency's outstanding bonds by ensuring timely payments, performance of arbitrage calculations and filing of required continual disclosure reports.
- Manages all the tort claims against the City and represents the City in the Association of Bay Area Government Pooled Liability Assurance Network (ABAG PLAN).
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets. Files required grant reports.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board.
- Processes all the payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly. Files all the required Federal and State payroll tax withholding reports.
- Monitors all the capital projects that have external funding sources to ensure collection.
- Collects and records all City revenues including utility payments, business licenses, franchise fees, transient occupancy taxes, private job accounts and miscellaneous invoicing.
- Provides customer service to the City's utility customers, including billing, new account set-ups, inquiries and meter readings.
- Provides a full range of procurement services to purchase goods and services at competitive prices and to ensure compliance with Federal and State laws and City ordinances.
- Provides internal mail service by processing outgoing mail and distributing incoming mail citywide.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Resolved tort claims within 180 days from the date of claim.	x			x	x
2. Received awards for "Distinguished Budget Presentation" and "Excellence in Financial Reporting".				x	
3. Worked with the County Auditor and State Department of Finance on completion of the Agreed Upon Procedures and Due Diligence Reviews of the Redevelopment Agency.				x	
4. Revised business license tax collection cycle to combine with Fire Annual Permit fees.	x			x	
5. Bid frequently used commodities and services to create annualized contracts.	x			x	
6. Processed invoices for payment within 5 working days from approval date.	x			x	
7. Provided accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
8. Provided 99.9% accuracy on initial meter reads.	x			x	
9. Implemented financial system changes due to the Public Pension Reform Act.	x			x	
<b>2013-2014 Goals</b>					
1. Resolve tort claims within 180 days from the date of claim.	x			x	x
2. Receive awards for "Distinguished Budget Presentation" and "Excellence in Financial Reporting".				x	
3. Continue to bid frequently used commodities and services to create annualized contracts.	x			x	
4. Provide purchasing and contracts training to departments.	x			x	
5. Evaluate vendors for utility bill printing and on-line payments and bill review.	x	x		x	
6. Perform a review of the business license tax structure.	x			x	
7. Process invoices for payment within 5 working days from approval date.	x			x	
8. Provide accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
9. Provide 99.9% accuracy on initial meter reads.	x			x	

Performance Measures	Actual 2010-11	Projected 2011-12	Projected 2012-13	Estimated 2013-14
Consecutive years in receiving awards for:				
Distinguished Budget Presentation	11	12	13	14
Excellence in Financial Reporting	18	19	20	21
Excellence in Procurement	5	6	N/A	N/A
Percent of tort claims resolved within 180 days	95%	96%	96%	96%
Average turn around time of account payable invoices (number of days)	5	5	5	5
Average turn around time of purchase requisitions (number of days)	9	9	10	10
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

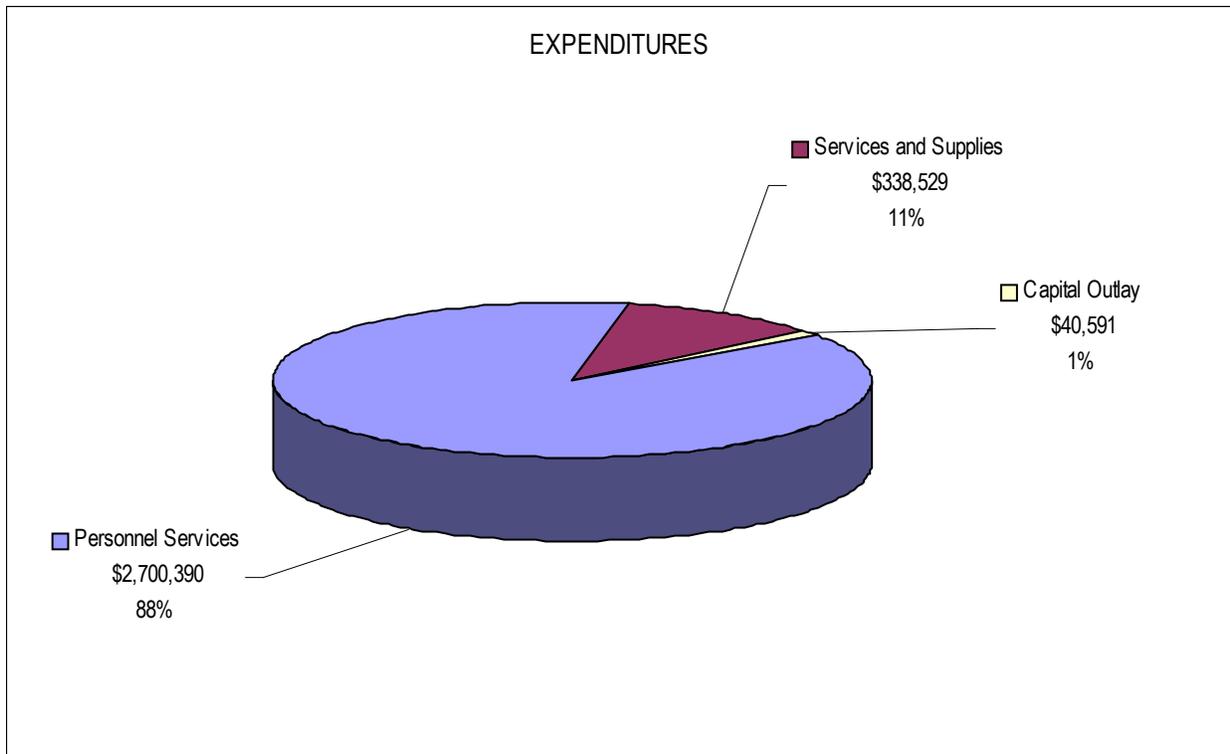
**Personnel Allotment of 28.5 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Director of Financial Services	1	1		Accounting Technician	1	1	
Purchasing Agent	1	1		Fiscal Asst I/II	10	7	3
Finance Manager	1	1		Senior Fiscal Assistant	1	1	
Budget Manager	1	1		Office Specialist	1		1
Accountant	3	2	1	Confidential Fiscal Asst II	1	1	
Finance Analyst I/II	1	1		Water Meter Reader II	2.5	2.5	
Buyer	1		1	Temporary Positions (FTE)	1	1	
Senior Accountant	2	2					
<b>TOTAL</b>					<b>28.5</b>	<b>22.5</b>	<b>6</b>

Staff Change(s): None

**Expenditure Analysis**

Personnel Services	Increase attributed to PERS employer contribution rate and medical premium increases.
Services and Supplies	Increase attributed to additional funding needed for utility bill's credit card processing fee.
Capital Outlay	Increase due to replacement of an aging meter reader's truck.



	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,936,113	1,907,166	1,877,126	1,904,792
4112 Temporary Salaries	40,257	45,269	24,000	24,000
4113 Overtime	2,199	3,451	23,500	23,500
4121 Allowances	903	4,210	0	0
4124 Leave Cashout	37,234	19,240	0	0
4125 Accrued Leave	5,889	(6,252)	0	0
4131 PERS	291,975	165,883	123,176	198,428
4132 Group Insurance	354,151	326,036	397,572	434,988
4133 Medicare	29,094	29,050	27,646	28,078
4135 Worker's Compensation	11,446	12,101	14,146	14,352
4138 Deferred Comp-Employer	5,421	3,205	5,400	7,200
4139 PARS	481	412	360	360
4143 Charged to CIPs	0	0	(30,000)	(30,000)
4161 Retiree Medical Reserve	108,858	105,024	92,676	94,692
<b>sub-total</b>	<u>2,824,023</u>	<u>2,614,795</u>	<u>2,555,602</u>	<u>2,700,390</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	14,907	14,042	9,347	14,054
4220 Supplies	55,388	83,698	108,125	108,125
4230 Services	250,857	216,887	199,522	207,240
4501 Memberships and Dues	1,704	1,819	1,790	1,610
4503 Training	3,661	4,483	7,500	7,500
<b>sub-total</b>	<u>326,517</u>	<u>320,930</u>	<u>326,284</u>	<u>338,529</u>
<b>CAPITAL OUTLAY</b>				
4850 Vehicles	0	0	0	10,591
4920 Machinery Tools & Equipment	0	329	0	0
4930 Hydrants & Meters	31,249	0	30,000	30,000
<b>sub-total</b>	<u>31,249</u>	<u>329</u>	<u>30,000</u>	<u>40,591</u>
<b>TOTAL</b>	<u><u>3,181,789</u></u>	<u><u>2,936,054</u></u>	<u><u>2,911,886</u></u>	<u><u>3,079,510</u></u>

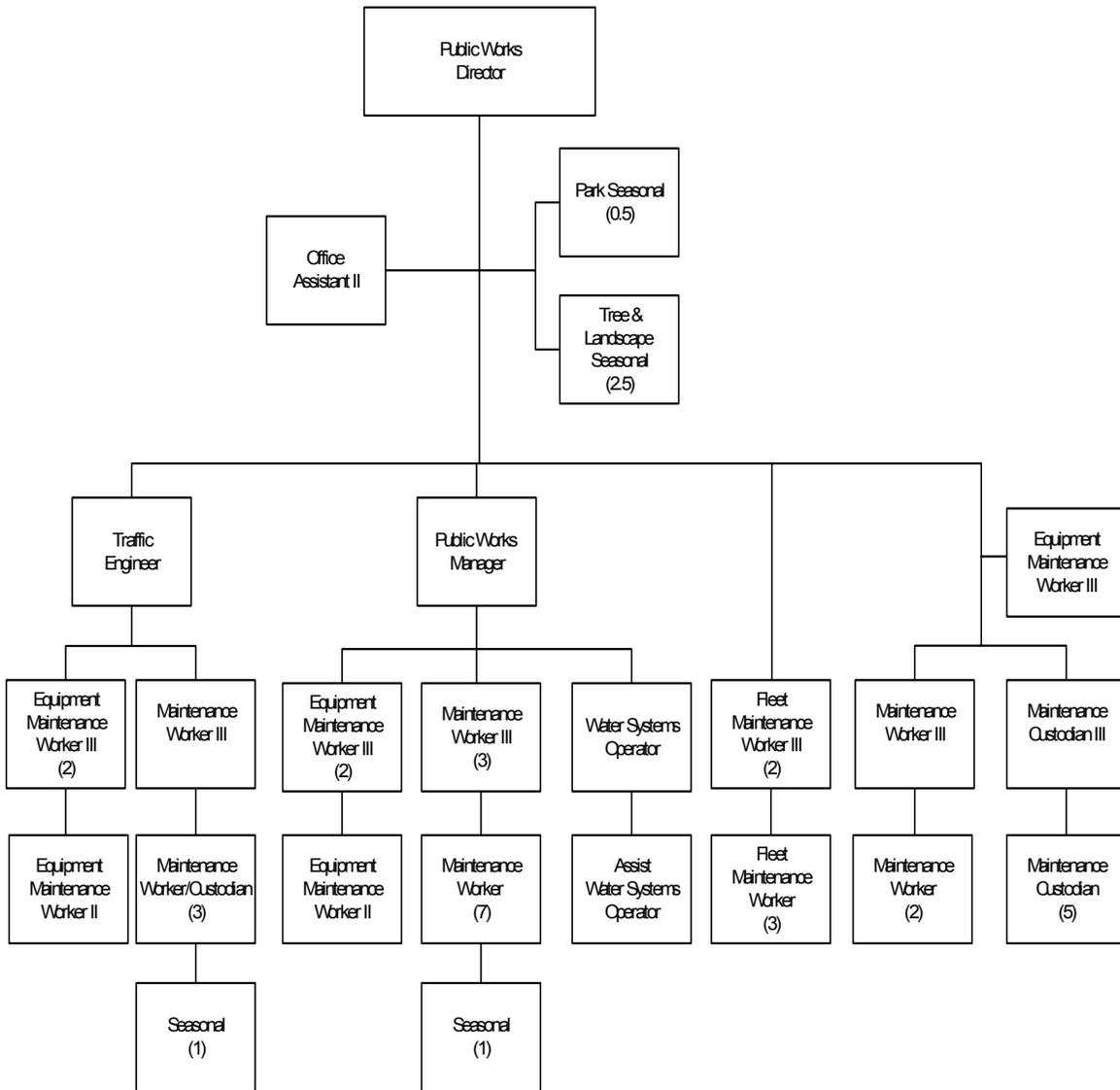
### Mission Statement

The Public works Department is committed to enhancing the quality of life and ensuring public health and safety in the community by providing:

Quality and responsive service and resources to operate and maintain the infrastructure in a safe, timely and efficient manner.

### Functions

- Public Works Administration
- Street Maintenance
- Utility Maintenance
- Park Maintenance
- Trees & Landscape Maintenance
- Fleet Maintenance
- Facilities Maintenance



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<b>DEPARTMENT:</b>	<b>Public Works</b>	<b>PUBLIC WORKS DIRECTOR: Jeff Moneda</b>
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*Description:* The Public Works Department operates and maintains the City's infrastructure and facilities including public streets, utilities, parks, street landscaping, City vehicles, and City buildings. The seven functions are Administration, Streets Maintenance, Utility Operations and Maintenance, Parks Maintenance, Trees and Street Landscaping, Fleet Maintenance, and Facilities Maintenance.

## Services

- Provides management, direction and coordination for the operation, maintenance, cleaning, and repair of City infrastructure and equipment assets. Responds to over 3,500 customer service requests annually.
- Maintains the City's traffic signal system, traffic signs, street lights, paved roadways, and pavement marking in accordance with the Clean & Safe Streets program and State Code requirements.
- Provides street sweeping and sidewalk cleaning and repair, as well as graffiti and dead animal removal.
- Operates and maintains the water distribution system, including 206 miles of water lines, 4 pumping stations, 5 storage reservoirs, and numerous pressure valves regulating 7 pressure zones, to deliver 10 million gallons per day of potable water to 19,000 accounts.
- Operates and maintains the sewer collection system, including 175 miles of sewer lines and 2 pumping stations to discharge 8 million gallons/ day to the San Jose/Santa Clara Water Pollution Control Plant.
- Operates and maintains the stormwater collection system, including 105 miles of storm pipe and 13 pump stations to transmit storm water through the levees to creeks.
- Marks out locations of City's underground utilities (water, sewer, storm, and traffic communication fiber) to protect against construction damage to these underground assets.
- Provides park maintenance for playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Maintains streetscape of 12,480 trees and 125 acres of median landscaping, including City tree planting and pruning, trails, and weed and litter control.
- Maintains and repairs 628 City vehicles and motorized equipment including police vehicles, fire apparatus, construction equipment, mowers, and communication radios.
- Maintains City buildings and grounds, including building systems (plumbing; electrical; heating; air conditioning, and ventilation; and backup power). Sets up rooms for rental groups and meetings. Manages custodial and janitorial services.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Successfully implemented Council direction to outsource maintenance of parks, street landscaping, street trees, and building custodial services.	x			x	
2. Responded to over 3,500 customer service requests.	x	x		x	x
3. Responded immediately to roadway and park hazards, graffiti abatement, park and emergency utility service requests.	x	x		x	x
4. Cleaned 2,000 storm catch basins and maintained 13 storm pump stations.	x	x		x	x
5. Completed Water Distribution Operator training for Utilities and standby staff.	x		x		x
6. Provided safety training to staff to improve efficiency and reduce injuries.	x		x	x	x
<b>2013-2014 Goals</b>					
1. Investigate all customer service requests and provide immediate response for urgent/safety related service requests.	x	x		x	x
2. In concert with citywide effort, develop Department strategic plan for sustainable efficient and effective staffing, organization, and infrastructure rehabilitation.	x	x	x	x	x
3. Respond to after hours emergency utility and roadway and park problems within 45 minutes.	x	x		x	x
4. Provide high-level preventative maintenance to protect City's infrastructure asset value.	x	x		x	x
5. Provide safety and job related training to employees	x		x	x	x
6. Continue effectively managing and integrating outsource maintenance contracts for parks, street landscaping, street trees, and building custodial services.	x			x	

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
Customer service requests processed	3,000	3,500	3,500	3,500
City street and sidewalk miles maintained	139	139	139	139
Number of room set-ups for classes & meetings	2,900	2,900	2,900	2,900
City building square footage maintained	376,500	376,500	376,500	376,500
Traffic signals/street lights maintained	72/4,496	72/4,496	72/4,496	72/4,496
Street signs maintained	8,534	8,534	8,534	8,600
Clean sewer lines & water line repairs	500,000	500,000	500,000	500,000
Street tree inventory/annual cost per tree	12,480/\$33	12,480/\$33	12,480/\$33	12,480/\$14
Street landscaped acres/# sites maintained	125/70	125/70	125/70	125/70
Completed Fleet repairs/# repairs per employee	2,010/670	2,010/670	2,000/400	2,000/400
Average vehicle downtime (hrs.)	3	3	3	3
Maintain City parks	32	32	34	34

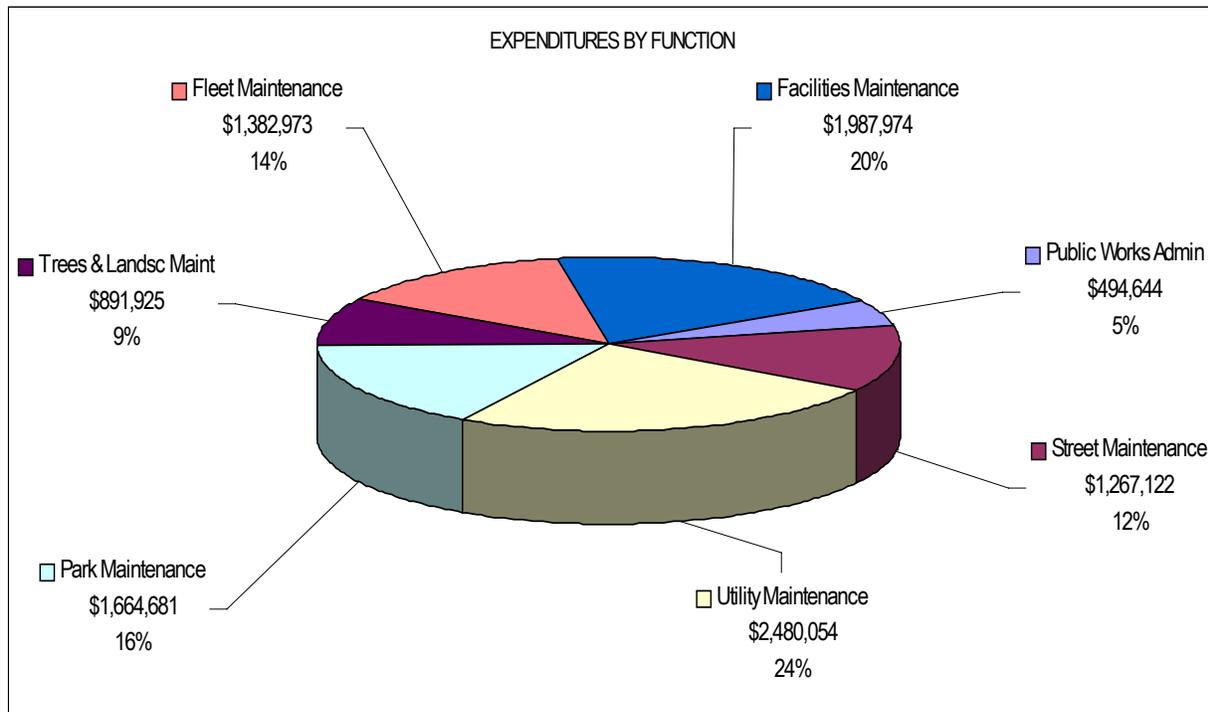
**Personnel Allotment of 94 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Public Works Director	1	1		Water System Operator	1	1	
Public Works Manager	2	1	1	Asst Water System Operator	1	1	
Office Specialist	1		1	Maintenance Custodian II	6	6	
Office Assistant II	1	1		Maintenance Custodian III	1	1	
Equipment Maint Worker II	2	2		Maint Custodian I-40 Hr	1		1
Equipment Maint Worker III	5	5		Maintenance Worker I-37.5	1		1
Senior Maint Supervisor	4		4	Maintenance Worker II-37.5	37	11	26
Fleet Maint Supervisor	1		1	Maintenance Worker III	17	5	12
Fleet Maint Worker II	3	3		Maintenance Supervisor	2		2
Fleet Maint Worker III	2	2		Temporary Positions (FTE)	5	5	
<b>TOTAL</b>					<b>94</b>	<b>45</b>	<b>49</b>

Staff Change(s): Move the funding of an Office Specialist to the Engineering Division.

**Expenditure Analysis**

Personnel Services	Increase due to funding of a Public Works Manager.
Services and Supplies	Decrease due to reduced supplies in Fleet Maintenance and Facilities Maintenance.
Capital Outlay	None



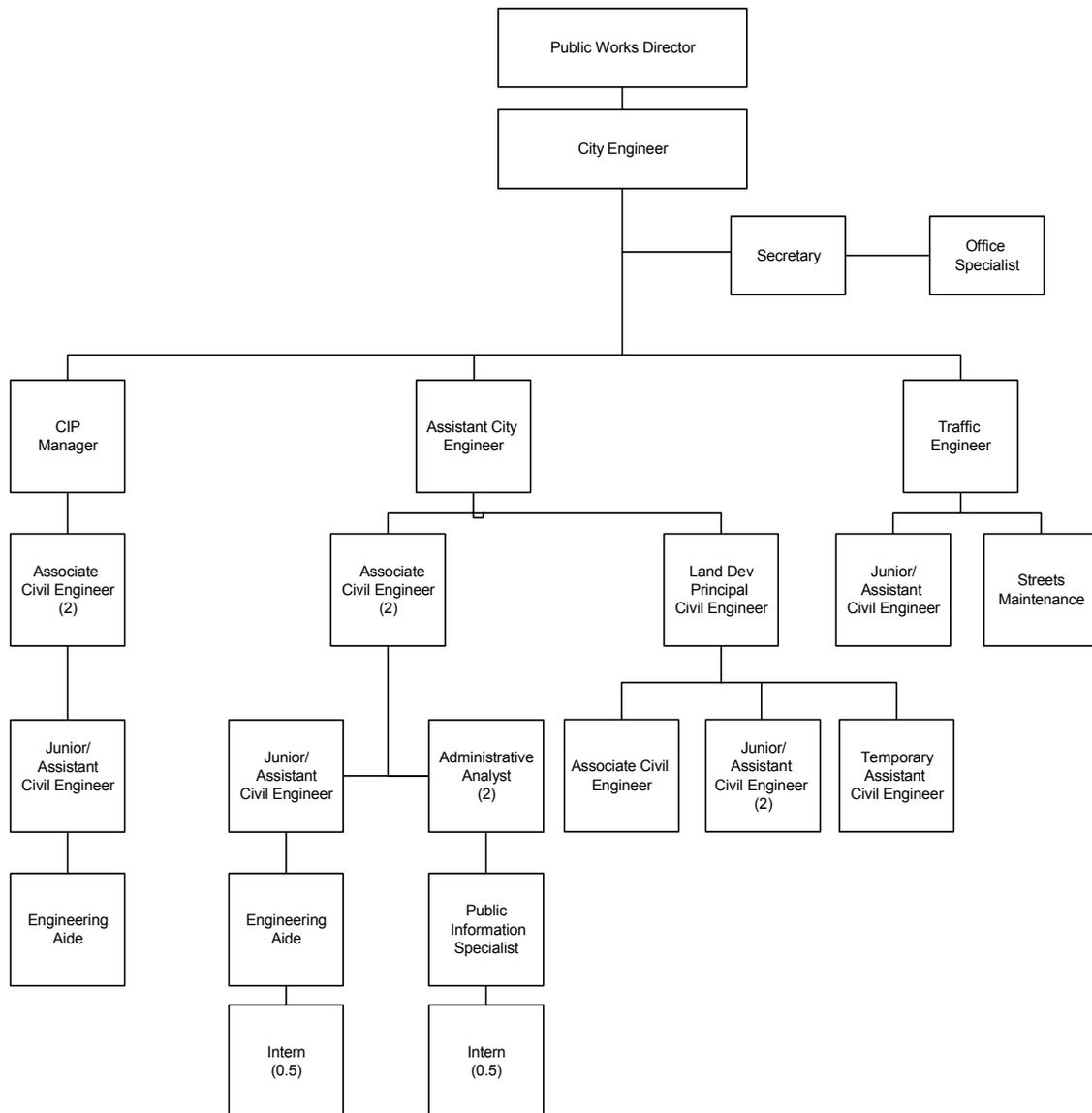
	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	5,191,169	4,382,849	2,663,239	2,791,103
4112 Temporary Salaries	107,576	192,538	148,830	148,830
4113 Overtime	117,245	103,992	98,440	106,002
4121 Allowances	83,178	85,783	76,863	88,960
4124 Leave Cashout	159,101	390,766	0	0
4125 Accrued Leave	11,966	(20,365)	0	0
4131 PERS	787,444	824,569	506,777	568,364
4132 Group Insurance	1,252,647	1,215,778	721,188	809,280
4133 Medicare	76,903	69,632	39,293	40,814
4135 Worker's Compensation	128,360	117,410	95,619	98,241
4138 Deferred Comp-Employer	3,867	(55)	900	1,800
4139 PARS	1,240	1,891	2,231	2,231
4141 Adjustments-Payroll	627	615	0	0
4161 Retiree Medical Reserve	277,668	233,858	125,898	130,746
<b>sub-total</b>	<u>8,198,992</u>	<u>7,599,261</u>	<u>4,479,278</u>	<u>4,786,371</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	730,864	716,521	395,862	495,085
4220 Supplies	1,326,080	1,198,814	1,284,699	1,015,034
4230 Services	1,196,092	1,145,505	3,564,233	3,622,383
4410 Communications	1,798	2,035	1,250	1,250
4420 Utilities	51,778	65,367	80,700	102,200
4501 Memberships and Dues	4,712	5,088	4,590	4,850
4503 Training	10,416	20,262	29,785	32,200
<b>sub-total</b>	<u>3,321,740</u>	<u>3,153,592</u>	<u>5,361,119</u>	<u>5,273,002</u>
<b>CAPITAL OUTLAY</b>				
4850 Vehicles	60,438	0	66,853	0
4870 Machinery & Equipment	15,360	0	0	0
4920 Machinery Tools & Equipment	880	830	0	0
4930 Hydrants & Meters	13,146	72,380	110,000	110,000
<b>sub-total</b>	<u>89,824</u>	<u>73,210</u>	<u>176,853</u>	<u>110,000</u>
<b>TOTAL</b>	<u><u>11,610,556</u></u>	<u><u>10,826,063</u></u>	<u><u>10,017,250</u></u>	<u><u>10,169,373</u></u>

**Mission Statement**

The Engineering Division provides the resources to enhance the City infrastructure through the design, management, and construction of public improvements and the management of various public works programs in a safe, coordinated, timely, and cost effective manner with responsive service to the entire community.

**Functions**

Engineering Administration  
 Design & Construction  
 Land Development  
 Traffic  
 Utility



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<b>DIVISION:</b>	<b>Engineering</b>	<b>PUBLIC WORKS DIRECTOR: Jeff Moneda</b>
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*Description:* This division provides professional engineering services for design and construction of public infrastructure in the public right-of-way or to benefit the public's use and enjoyment of municipal facilities or services. The division manages the municipal utilities and other services for the community including water, recycled water, sewer, stormwater quality protection, flood control, garbage, and recycling. The Engineering division coordinates with regional programs such as flood control, water supply, urban runoff, sewer treatment, transportation, and recycling programs. The engineering functions are Design & Construction, Land Development, Traffic, and Utilities.

## Services

- The City Engineer leads the Division including allocation of resources, assignments, and staff development to ensure that City infrastructure is constructed in accordance with City codes, state and federal regulations, and industry standards to protect public health and safety.
- The Design & Construction civil engineers prepare and review construction plans for public infrastructure. They plan and manage the Capital Improvement Program, including design and construction and project management of the City's street, water, sewer, storm drain, parks, and community projects.
- The Land Development civil engineers review development plans and subdivision maps for conformance with the City's General Plan and zoning ordinance and issue encroachment permits for work in public right-of-way. They also maintain utility base maps for water, sewer, recycled water, and storm drain facilities and City drawings, deeds, maps, assessment district diagrams, and aerial photographs.
- Traffic engineering services consisting of technical review and evaluation of traffic system design construction and operations to ensure safe and efficient operations of the City street system. Traffic engineering also reviews private development projects to determine their traffic impacts to the City's transportation system.
- The Utility civil engineers manage the City's water and sewer utilities and solid waste operations to ensure delivery of good quality and adequate supply of these essential municipal commodities at a fair and equitable price. This section also manages regulatory compliance with state and federal public health and environmental laws.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Completed construction of Ph IV of the Alviso Adobe improvement project and opened the park to the Public.	x	x		x	x
2. Completed S. Milpitas Boulevard Pavement Overlay Project.	x	x		x	x
3. Participated in the VTA/BART project design and construction team.		x		x	x
4. Evaluated the plastic bag and polystyrene controls.	x	x		x	x
5. Completed construction of two federal funded street enhancement projects (\$1.17M in Fed funds received.)	x	x		x	x
6. Completed various City Building Improvements.	x	x		x	x
7. Coordinated major flood control improvements with SCVWD.	x	x		x	x
8. Completed Wrigley Ford Creek Maintenance Project.	x	x		x	x
<b>2013-2014 Goals</b>					
1. Complete Ph I LMD Improvements along McCarthy Blvd.	x	x		x	x
2. Complete design of Pinewood Park improvements.	x	x		x	x
3. Participate in the VTA/BART project design and construction team.	x	x		x	x
4. Coordinate with TPAC agencies and SCVWD to develop a regional recycled water extension strategy and master plan.	x	x		x	x
5. Coordinate with San Jose on Water Pollution Control Plant rehabilitation.		x		x	x
6. Implement programs to meet State-mandated litter reduction levels.	x	x		x	x
7. Develop and implement professional training plan for staff.			x		
8. Design & Construction replacement of aging infrastructure.	x	x		x	x

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
Contracts Awarded/Value	14/12M	13/8M	10/5M	8/5M
Meet all water quality standards for potable water distribution	100%	100%	100%	100%
Achieve solid waste diversion rate goal of at least 50%	70%	65%	65%	65%
Review first submittals of private development plans within 20 working days	98%	95%	95%	98%
Encroachment Permits Processed	0	197	200	200
Development agreements prepared for Council	0	6	6	6
Engineering and traffic surveys	29	28	20	15
Grant applications submitted	9	10	20	10
Projects completed (initial acceptances)	12	15	11	5

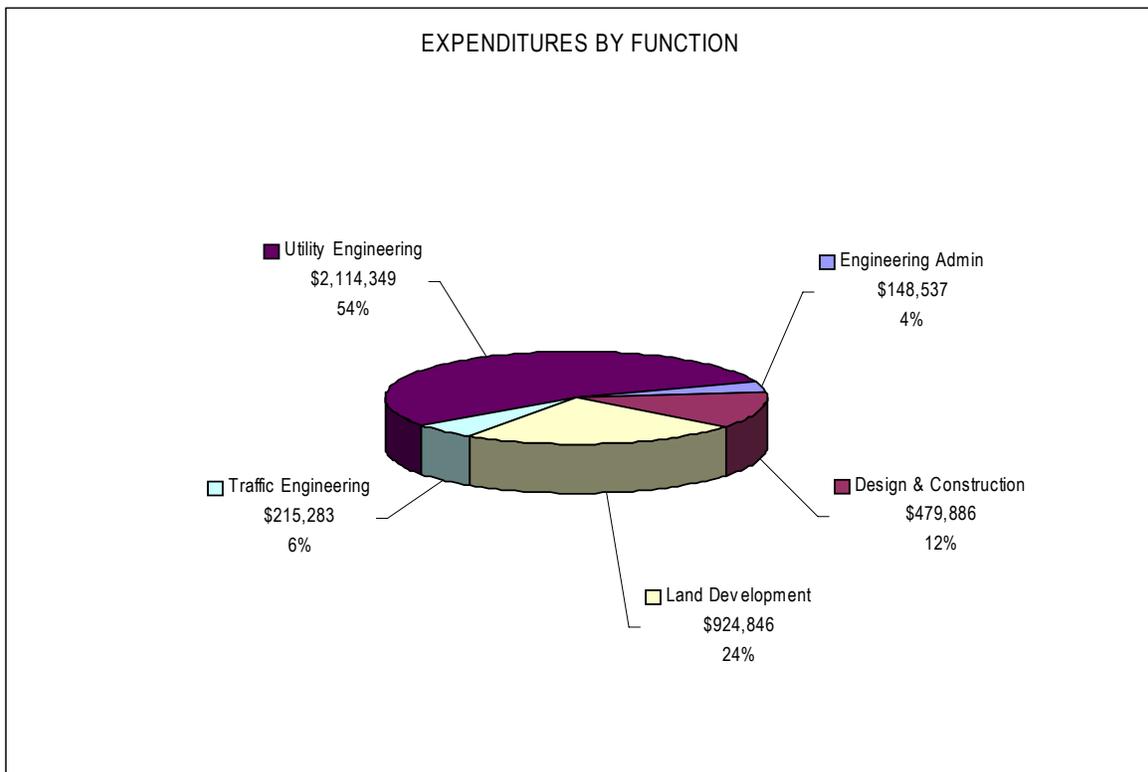
**Personnel Allotment of 30 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Engineer	1		1	C A D Technician	1		1
Assistant City Engineer	1	1		CIP Manager	1	1	
Administrative Analyst I/II	2	2		Engineering Aide	2	2	
Public Information Specialist	1	1		Office Specialist	1	1	
Assistant Civil Engineer	8	5	3	Secretary	1	1	
Associate Civil Engineer	6	5	1	Temporary Positions (FTE)	2	2	
Principal Civil Engineer	2	1	1				
Traffic Engineer	1	1					
				<b>TOTAL</b>	<b>30</b>	<b>23</b>	<b>7</b>

Staff Change(s): Fund one Associate Civil Engineer, one temporary Assistant Civil Engineer and transfer the funding of an Office Specialist from Public Works Department.

**Expenditure Analysis**

Personnel Services	Increase due to funding for staff changes indicated above. The increased volumes of new housing projects require more resources to manage. The CIP charge back is reduced due to lack of RDA funding for CIP projects.
Services and Supplies	Increase of \$80,000 due to transferred VTA congestion management fees from the Planning Department to the Engineering Department.
Capital Outlay	None



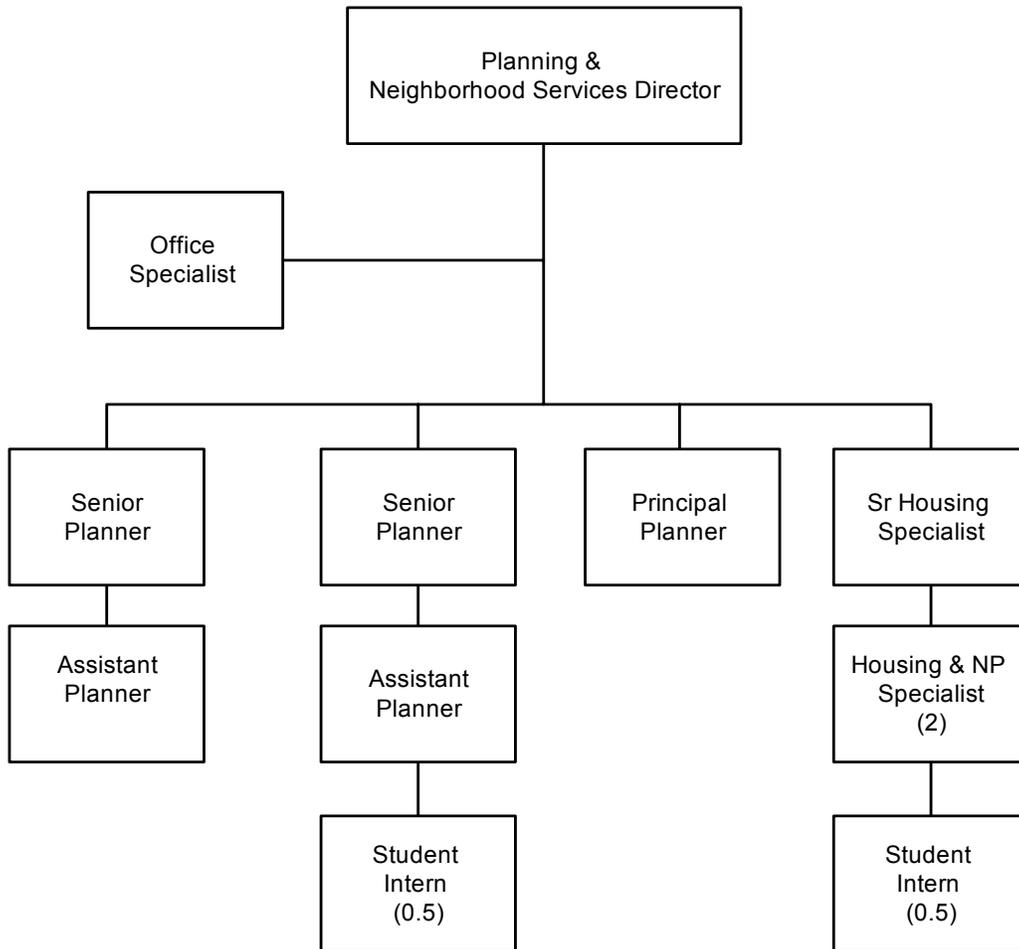
	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,644,305	1,840,470	2,105,317	2,327,068
4112 Temporary Salaries	17,894	1,926	9,600	137,382
4113 Overtime	(2,443)	12,964	21,900	21,900
4121 Allowances	4,627	4,810	0	0
4124 Leave Cashout	23,894	112,565	0	0
4125 Accrued Leave	24,396	18,543	0	0
4131 PERS	247,149	141,287	120,593	221,447
4132 Group Insurance	279,542	303,409	351,348	445,109
4133 Medicare	22,362	26,777	29,264	34,334
4135 Worker's Compensation	7,945	7,355	10,598	12,313
4138 Deferred Comp-Employer	2,735	3,524	7,200	7,200
4139 PARS	294	29	144	475
4143 Charged to CIPs	0	0	(1,045,832)	(589,533)
4161 Retiree Medical Reserve	131,208	129,694	105,133	121,083
<b>sub-total</b>	<u>2,403,907</u>	<u>2,603,352</u>	<u>1,715,265</u>	<u>2,738,778</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	121,044	78,157	152,100	152,600
4211 Equip Replacement Amortization	20,486	16,476	14,815	14,788
4220 Supplies	7,808	9,349	16,070	14,850
4230 Services	686,119	745,004	868,150	927,730
4501 Memberships and Dues	10,993	13,807	17,705	16,705
4503 Training	4,169	2,599	18,950	17,450
<b>sub-total</b>	<u>850,620</u>	<u>865,393</u>	<u>1,087,790</u>	<u>1,144,123</u>
<b>TOTAL</b>	<u><u>3,254,527</u></u>	<u><u>3,468,744</u></u>	<u><u>2,803,055</u></u>	<u><u>3,882,901</u></u>

**Mission Statement**

The Planning and Neighborhood Services Department promotes and facilitates high quality of life through community partnerships, innovation, vision, and exemplary customer service to ensure a vibrant Milpitas.

**Functions**

Planning  
Neighborhood Services



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<b>DEPARTMENT:</b>	<b>Planning &amp; NS</b>	<b>PLAN &amp; NEIGH SVCS DIR: Steve McHarris</b>
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*Description:* The Planning & Neighborhood Services Department assists the public and development community with planning applications, environmental assessments; General Plan and zoning interpretation; and information on State and regional land use and environmental regulations affecting the City. The Department promotes informed decision making, which facilitates sustainable development, affordable housing, and reinvestment in the community through periodic updates to the City’s General Plan, specific plans, and zoning ordinance. Department Staff supports the Planning Commission, Milpitas Successor Agency, Milpitas Housing Agency, Economic Development Corporation, and various commissions and subcommittees of the City Council. The Department implements housing, neighborhood preservation, and code enforcement programs, including affordable housing and rehabilitation programs, graffiti, shopping cart, and abandoned vehicle abatement, and oversees the fair housing services and animal control regulations.

**Services**

- Provides oversight and maintenance of the General Plan, specific plans, and regulations. Prepares, and assists other departments in preparing special-purpose long-range plans and ensures consistency with existing plans. Coordinates with outside agencies and regional planning, environmental, transportation issues and maintains city information on demographics and municipal boundaries.
- Performs and coordinates review of land development applications, oversees implementation of Zoning Ordinance and planning policies and maintains them in compliance with State and federal regulations; conducts environmental review assessments, provides public information on land development regulations and processes.
- Responds to public service requests to ensure residential, commercial and industrial properties are maintained in accordance with city regulations, and administers programs for neighborhood beautification, graffiti abatement, abandoned vehicles, shopping carts and animal control.
- Administers the Community Development Block Grant program, the housing rehabilitation loan program and housing authority.
- Provides staff support to the Planning Commission, Community Advisory Commission, Bicycle Pedestrian Advisory Commission, Library Advisory Commission, and Economic Development Commission.
- Assists developers in obtaining planning entitlement permits and coordinates development review from initial submittal to permit approval by one assigned Staff planner.
- Implements the Transit Area Specific Plan, and the Mid-Town Specific Plan, and associated fees by one point of contact for the developmental community, and coordinating all City Departments when reviewing development proposals.
- Provides planning and permit submittal information to the public and responds to code related questions in person, by telephone, e-mail, and through the City’s web site.
- Provides and updates planning permit submittal requirements, checklists, design guidelines and publications to facilitate a streamlined permit application process.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Completed citywide Climate Action Plan.		x			x
2. Made recommendations to Planning Commission and City Council on General Plan update.		x		x	
3. Updated Planning website to produce effective dissemination of information.	x			x	
4. Processed plans for McCarthy Ranch Marketplace renovation.		x		x	
5. Completed LIFT Zone work.		x			x
6. Accomplished repairs for home under court-appointed receivership.	x	x			x
<b>2013-2014 Goals</b>					
1. Foster professional development and cross-training for Staff.	x		x		
2. Improve project review and analysis regarding: design review; report writing; findings, conditions of approval, and CEQA.	x		x		
3. Advance use of technology, Department web page.	x		x	x	
4. Integrate economic development values into Department.		x			
5. Implement General Plan update fee.		x		x	
6. Integrate Department on single floor for efficiencies.	x		x		
7. Achieve funding for pilot project-private property abatement of NBO violations including foreclosed/vacant homes.		x			x
8. Strengthen NBO Awards Program to be merit based.	x				
9. Develop code enforcement pro-activeness.		x			x
10. General Plan Housing Element update.		x			x

Performance Measures	Actual 2010-11	Projected 2011-12	Projected 2012-13	Estimated 2013-14
% of Use Permit applications processed within 3 months of being deemed complete	87%	96%	93%	95%
% of Minor Site Development applications processed within 2 months	98%	96%	97%	97%
Planning Division customer contacts	3,112	3,643	3,400	3,450
% of rehabilitation loan recipients rating our service as at least "satisfactory"	90%	93%	100%	100%
Customer service requests/violations abated	758	725	725	725
# of cases in compliance within 30 days of receipt	500	400	500	500
Days to abate graffiti on private property	23	20	15	15
Abandoned vehicles abated on private property	117	132	160	160

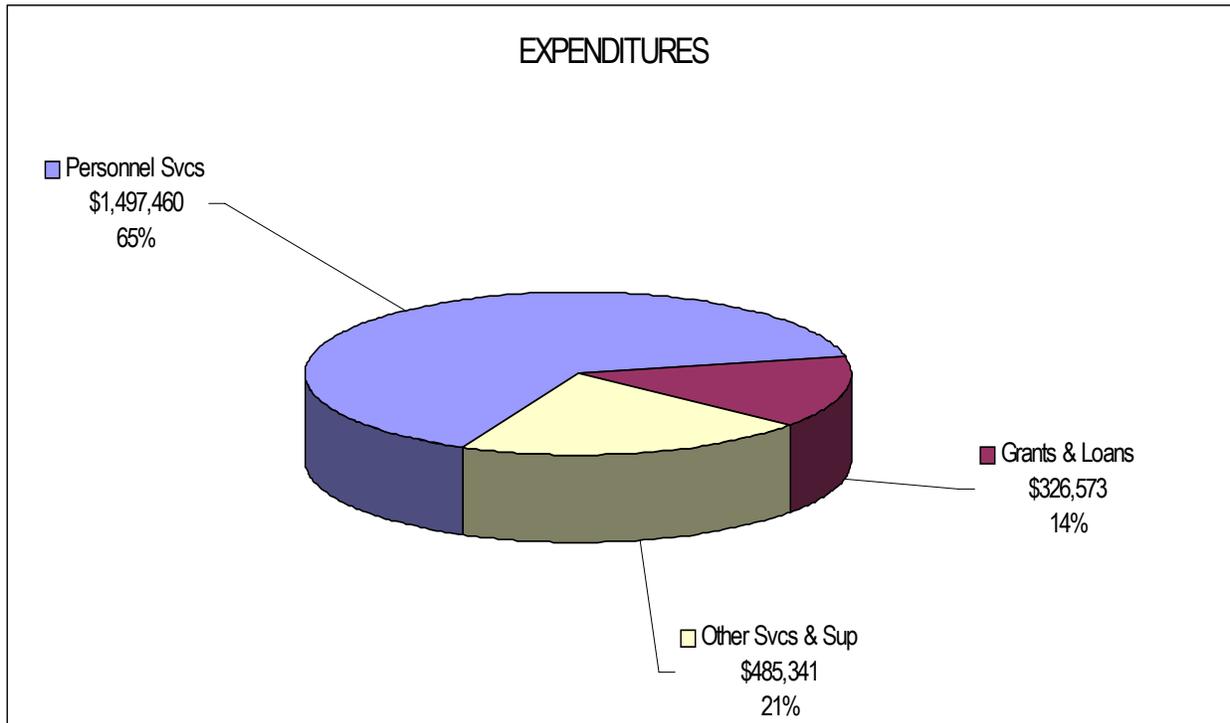
**Personnel Allotment of 18.5 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Planning & Neigh Svcs Dir	1	1		Principal Planner	1	1	
Assistant Planner	2.5	2	0.5	Housing/Neigh Pres Spec	3	2	1
Associate Planner	2		2	Senior Housing Specialist	1	1	
Planning Manager	1		1	Office Specialist	3	1	2
Senior Planner	2	2		Temporary Positions (FTE)	1	1	
Asst Transportation Planner	1		1				
<b>TOTAL</b>					<b>18.5</b>	<b>11</b>	<b>7.5</b>

Staff Change(s): Unfund one Office Specialist position. Fund one Senior Planner and (2) temporary part-time student interns to assist both Planning and Neighborhoods Services staff.

**Expenditure Analysis**

Personnel Services	Increase due to new staffing needs to review housing construction projects which has increased substantially.
Services and Supplies	Decrease due to transferred VTA congestion management fee to the Engineering Department.
Capital Outlay	None



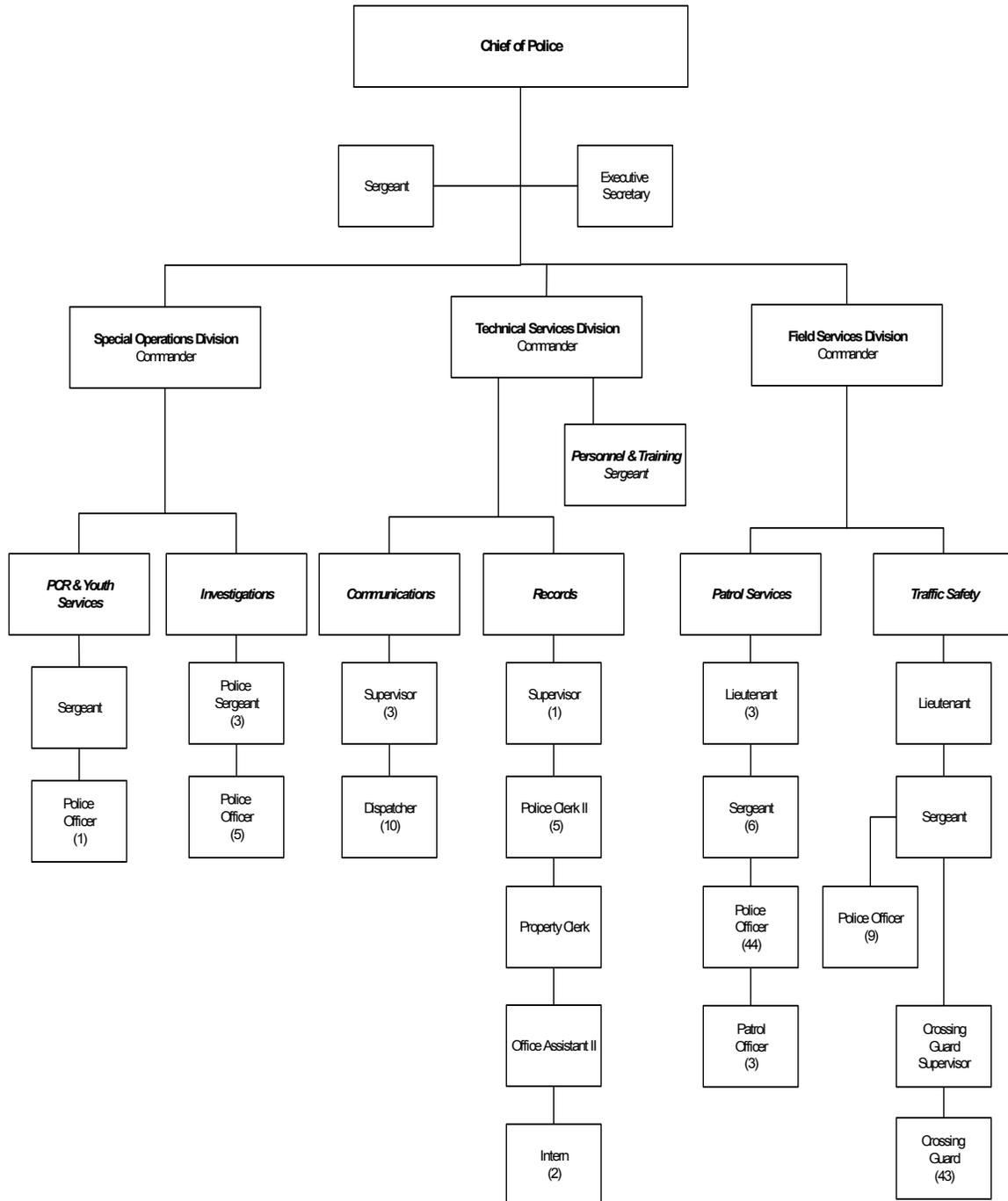
	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,068,932	1,042,844	1,014,538	1,067,900
4112 Temporary Salaries	0	0	0	36,774
4113 Overtime	(3,179)	(522)	0	0
4121 Allowances	2,710	997	0	0
4124 Leave Cashout	7,418	33,596	0	0
4131 PERS	159,261	74,858	59,984	111,540
4132 Group Insurance	189,590	177,154	184,920	202,320
4133 Medicare	14,424	16,636	14,772	16,096
4135 Worker's Compensation	3,613	4,131	5,048	5,494
4138 Deferred Comp-Employer	0	1,601	2,700	3,600
4139 PARS	0	0	0	552
4161 Retiree Medical Reserve	58,836	56,346	50,508	53,184
<b>sub-total</b>	<u>1,501,605</u>	<u>1,407,641</u>	<u>1,332,470</u>	<u>1,497,460</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	570,670	430,800	322,937	326,573
4211 Equip Replacement Amortization	6,415	5,900	4,649	8,358
4220 Supplies	9,089	7,413	11,300	11,400
4230 Services	414,710	387,177	497,000	452,938
4501 Memberships and Dues	872	375	0	2,550
4503 Training	629	795	5,200	10,095
<b>sub-total</b>	<u>1,002,385</u>	<u>832,460</u>	<u>841,086</u>	<u>811,914</u>
<b>TOTAL</b>	<u><u>2,503,990</u></u>	<u><u>2,240,101</u></u>	<u><u>2,173,556</u></u>	<u><u>2,309,374</u></u>

### Mission Statement

The Milpitas Police Department is committed to the protection of lives and property by working with our community and providing professional and responsive Police Services.

### Divisions

Police Administration  
 Technical Services  
 Field Services  
 Special Operations



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**DEPARTMENT: Police****POLICE CHIEF: Steve Pangelinan**

*Description:* This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace and prevents and controls crime. The Department's nine functions include: Administration, Patrol, Traffic, Crossing Guards, Community Relations, Investigations, Communications, Records, and Personnel and Training.

## Services

- Provides 24-hours a day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention and arrest of offenders. Preserves the public peace, protects life and property, and appropriately enforces laws and ordinances.
- Investigates auto thefts, hit-and-runs, and traffic accidents; conducts accident reconstruction for major-injury and fatal collisions; provides traffic control at major events and enforces traffic laws.
- Manages the Crossing Guard program, which staffs critical intersections within the City to ensure the safety of children walking to and from school.
- Facilitates PAL and conducts Neighborhood Watch, Police Explorer, Citizen Volunteer and other crime prevention programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. The School Resource Officer serves Milpitas High and Calaveras Hills.
- Provides follow-up investigation of crimes against persons, fraud, high technology and crimes against property.
- Conducts gang prevention, intervention and investigation; tracks sex registrants; and conducts pro-active narcotic investigations.
- Provides 24 hours-a-day, 365 days-a-year 9-1-1 emergency telephone answering and emergency dispatching for Police, Fire and other City Departments.
- Provides public counter service, filing of criminal complaints and evidence

management. Processes, maintains and distributes Police and Fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.



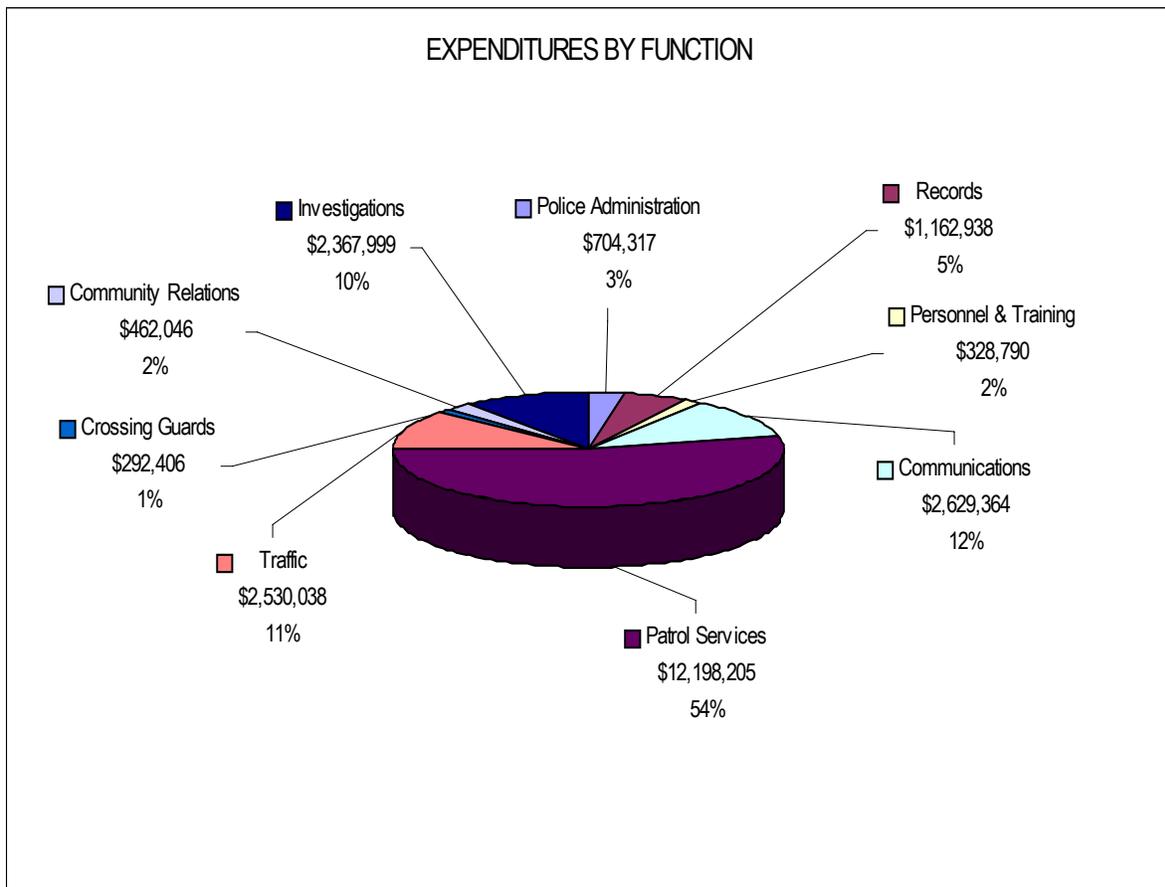
	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Reduced the average emergency response time to 2:36 in 2012, to a 12-year-low.	x	x			x
2. Increased the number of burglary arrests in 2012 by 4%.	x	x		x	x
3. Eradicated 8 illegal marijuana growing operations netting over 2,200 plants with a value of approximately \$1.5 million.		x	x		x
4. Completed evidence warehouse inventory which included over 11,000 pieces of evidence.	x	x	x	x	x
<b>2013-2014 Goals</b>					
1. Ensure average response times to emergency calls remain at 3:00 or under	x				x
2. Ensure 100% registration by known sex offenders.		x			x
3. Develop process to proactively recover firearms from persons listed within State database as being legally prohibited from gun ownership.	x		x	x	x
4. Reduce residential burglaries by at least 5%		x			x
5. Utilize social media to disseminate public safety information to the community and to elicit input from residents.	x	x			x

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
Avg. response time to emergency calls (minutes)	2:43	2:43	2:32	2:32
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	99%	99%	99%	99%
Percentage of public requests for report information completed within two days	92%	93%	93%	93%
Number of anti-terrorist Patrol checks	1,769	1,894	1,996	1,925
Number of accidents involving school children at intersections staffed by Crossing Guards	0	0	0	0
Parent Drug Awareness presentations	9	9	0	3
Character Counts Presentations: schools/students (Eliminated)	11/843	12/798	0	0
Community presentations	232	217	201	225
Number of vehicle citations issued	7,537	6,701	4,120	4,750
Number of arrests reported to FBI (all crimes)	2,334	2,173	1,842	2,000

Personnel Allotment of 135.5 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Police Chief	1	1		Police Assistant	1		1
Police Commander	3	3		Police Clerk II	6	5	1
Police Lieutenant	4	4		Police Clerk Supervisor	2	1	1
Patrol Officer	5	3	2	Police Property Clerk	1.5	1	0.5
Police Officer	67	59	8	Communications Dispatcher	12	10	2
Police Sergeant	13	13		Communications Supervisor	4	3	1
Office Assistant II	1	1		Temporary Positions (FTE)	14	14	
Executive Secretary	1	1					
<b>TOTAL</b>					<b>135.5</b>	<b>119</b>	<b>16.5</b>

Staff Change(s): Fund an Executive Secretary position.

Expenditure Analysis	
Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Decrease attributed to decrease in physical evidence exam fee charged by the Santa Clara County Crime Laboratory.
Capital Outlay	Include replacement of seven police vehicles.



	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	12,693,872	12,442,484	13,623,856	13,607,368
4112 Temporary Salaries	263,080	247,754	312,807	311,417
4113 Overtime	722,009	556,114	592,283	693,283
4121 Allowances	136,498	136,027	134,868	134,868
4124 Leave Cashout	752,716	686,331	0	0
4131 PERS	2,908,179	3,527,131	3,855,747	4,180,058
4132 Group Insurance	1,729,205	1,710,074	1,916,580	2,119,248
4133 Medicare	174,031	185,957	188,649	200,794
4135 Worker's Compensation	346,373	367,702	555,651	557,061
4138 Deferred Comp-Employer	4,517	4,067	3,600	4,500
4139 PARS	3,512	3,553	4,431	4,409
4151 Compensation Reduction	0	0	(1,245,900)	(1,179,571)
4161 Retiree Medical Reserve	618,906	617,303	587,437	593,090
<b>sub-total</b>	<u>20,352,898</u>	<u>20,484,496</u>	<u>20,530,009</u>	<u>21,226,525</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	0	3,000	500	500
4211 Equip Replacement Amortization	434,453	426,874	405,090	414,560
4220 Supplies	157,575	97,610	143,521	143,521
4230 Services	607,743	582,603	778,147	743,150
4410 Communications	17,446	14,400	24,820	24,820
4501 Memberships and Dues	3,070	3,270	3,339	3,333
4503 Training	65,856	40,289	56,499	56,954
<b>sub-total</b>	<u>1,286,142</u>	<u>1,168,046</u>	<u>1,411,916</u>	<u>1,386,838</u>
<b>CAPITAL OUTLAY</b>				
4850 Vehicles	20,051	32,100	0	2,740
4870 Machinery & Equipment	64,201	0	0	0
4920 Machinery Tools & Equipment	42,778	80,581	60,000	60,000
<b>sub-total</b>	<u>127,030</u>	<u>112,681</u>	<u>60,000</u>	<u>62,740</u>
<b>TOTAL</b>	<u><u>21,766,070</u></u>	<u><u>21,765,223</u></u>	<u><u>22,001,925</u></u>	<u><u>22,676,103</u></u>

## Mission Statement

**“Dedicated to Providing Quality and responsive Service for the community”**

To serve and protect the community of Milpitas. Preservation of life, property and the environment within this community is the reasons for our existence.

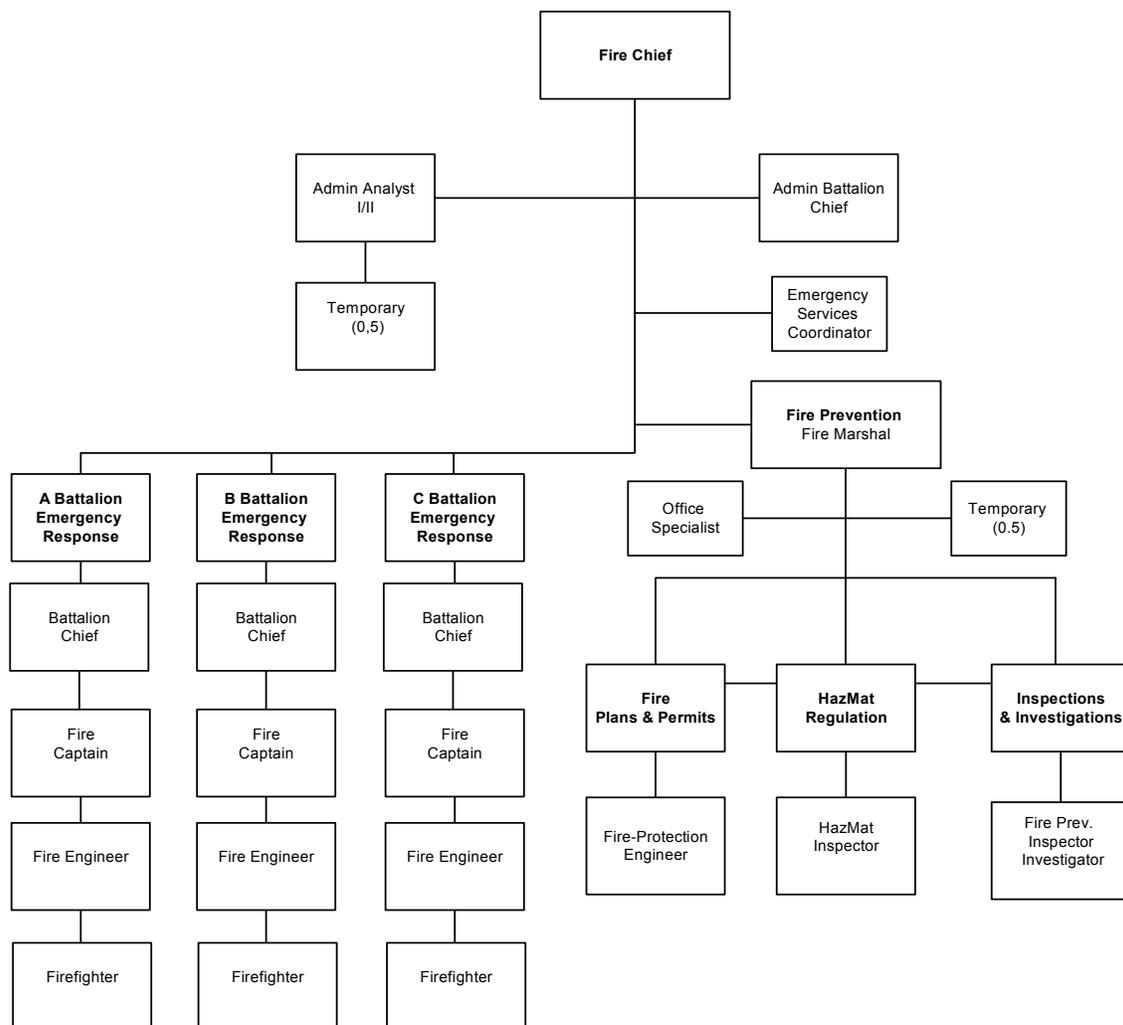
We will diligently work to maintain a high level of public trust and confidence.

We are dedicated to providing courteous, competent and responsive services.

It is our belief that we are judged by the public’s view of our attitudes, conduct and standards.

## Divisions

- Fire Administration
- Fire Prevention
- Emergency Response & Preparedness
- Office of Emergency services (OES)



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<b>DEPARTMENT:</b>	<b>Fire</b>	<b>FIRE CHIEF: Brian Sturdivant</b>
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*Description:* The Fire Department provides all-hazard full response, preparedness, and prevention services. The Emergency Response Division mitigates emergency incidents, provides safety, training, and Para-medicine compliance. The Fire Prevention Division handles fire plans and permits, hazardous materials regulation, inspections and investigations. The Office of Emergency Services manages disaster preparedness planning, response, mitigation and recovery initiatives.

## Services

- Administration: Manages and directs command, administrative, operational, planning, and logistical aspects of the department.
- Emergency Response: Responds to and manages emergency incidents involving fires, medical and traumatic injuries, vehicle accidents, rescues, hazardous-materials releases and other risks affecting the health and welfare of those in the community. Personnel staff five apparatus at four fire stations strategically located for quick response throughout the City.
- Safety, Training, & Para-medicine Compliance: Provides safety programs to reduce the firefighter injury rate and risks. Operates drill grounds and training curricula to ensure readiness for all-risk response. Oversees compliance with paramedic and emergency medical technician licenses and certifications, state and local reporting and quality assurance requirements, and cooperative contracts with the ambulance service provider.
- Disaster Preparedness: Ensures citywide disaster readiness by performing Emergency Operations Center training and maintenance, Strategic Actions For Emergencies (SAFE) training, care-and-shelter cache maintenance, amateur radio operator support, and large scale disaster planning in accordance with state, regional, and federal guidelines. Provides prevention-education for schools, businesses, citizen groups and community events in Milpitas. Also ensure that prevention and preparedness information is available in handouts, the city website, and community media.
- Plan-check & Permits: Provides fire plan reviews and permits related to fire code compliance for new construction, change in occupancy, tenant improvement, and fire-systems.
- Hazardous Materials Regulation: Conducts plan reviews and inspections related to hazardous materials use and storage, and urban-runoff, in accordance with state and local laws.
- Inspections & Investigations: Conducts inspections related to fire code compliance for new construction and high-risk occupancies. Provides fire cause and origin investigations and follow-up case preparation in cooperation with the Police Department.



Fire

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2012-2013 Accomplishments</b>					
1. Responded to 4,356 emergency incidents with an average response time of 4:23 minutes.	x	x			x
2. Certified 238 S.A.F.E.** team members.	x	x			x
3. Conducted 807 plan reviews, issued 860 approvals/permits, and performed 1,159 inspections.*	x			x	x
4. Presented prevention information at over 45 events.	x	x		x	x
<b>2013-2014 Goals</b>					
1. Develop and maintain fractile response time of 5 minutes or less 90% of the time.	x	x			x
2. Reduce firefighter injuries and support with the MFD Safety, Health, and Wellness Program.	x	x	x	x	x
3. Certify an additional 50 S.A.F.E. team members and provide refresher training to 90% of critical Emergency Operations Center staff.	x	x	x	x	x
4. Achieve target turn-around times of plan review/inspections at a rate of 98% higher.	x			x	x
5. Respond to 100% of prevention education requests.	x	x		x	x

NOTE: \*These are calendar year figures \*\*Strategic Actions For Emergencies

Performance Measures	Actual 2010-11	Actual 2011-12	Projected 2012-13	Estimated 2013-14
Calls for service & average response times (minutes)	4,400/4:30	3,776/4:40	4,356/4:23	4,789/4:50
Number of trained Disaster Service Workers in the City (new category for 2011)	*	545	573	600
Number of platoon training hours & personnel certified to serve at higher rank	250/23	188/23	275/18	275/22
Number of plan reviews/inspections	900/4,000	671/4,434	807/4,510	910/4,600
Plan reviews/inspections meeting target turn-around times (90%)	97%	98%	98%	98%
Prevention information events	80	71	45	60
Property loss due to fire	Performance	measure	to be	recalibrated
Property saved in response to a fire	Performance	measure	to be	recalibrated
Fire-caused injuries/deaths	*	0	0**	NA
Work-related injuries	*	9	14**	NA
Structure fire flame spread	*	80%	80%	80%
Fire unit reliability	*	80%	80%	80%
Volunteer hours	*	500	480	520

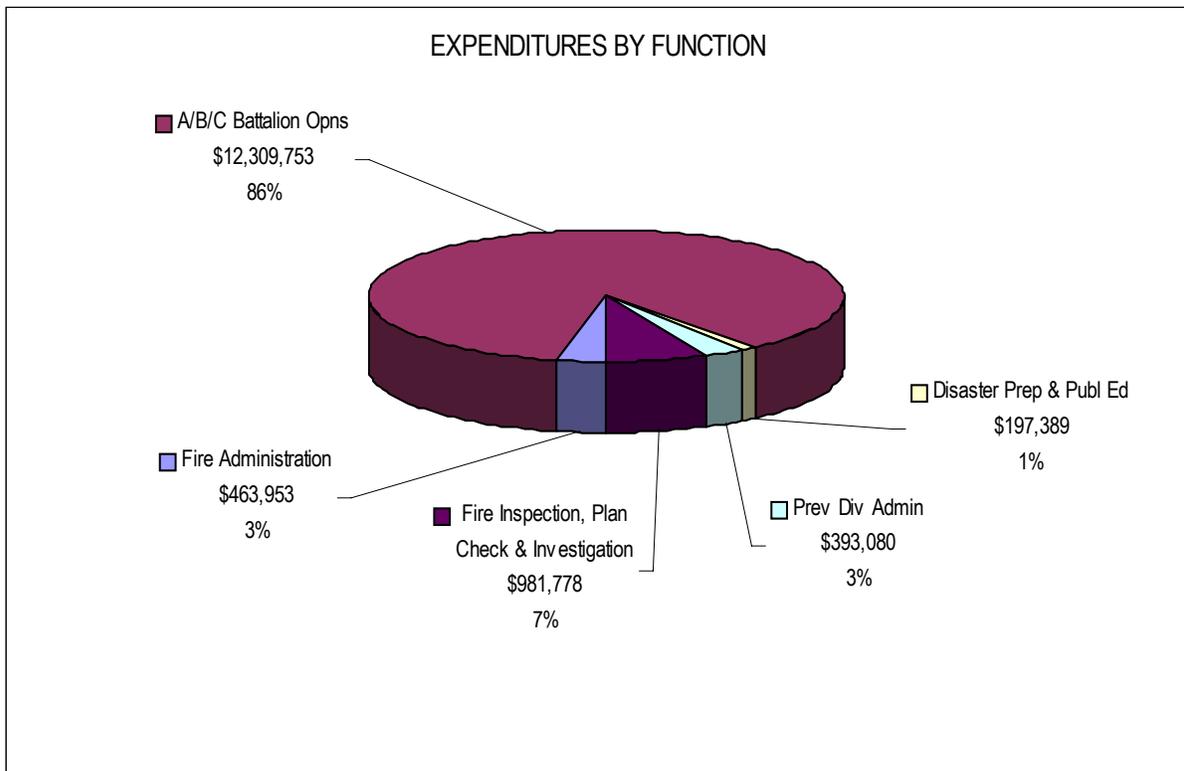
\* New performance measures effective FY 11-12 \*\*YTD through 2/12/2013

Personnel Allotment of 81 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Fire Chief	1	1		Fire Protection Engineer	2	1	1
Assistant Fire Chief	1		1	Fire Engineer	15	6	9
Fire Marshal	1	1		Firefighter	12	10	
Assistant Fire Marshal	1		1	Firefighter/Paramedic	12	14	
Emerg Svcs Coordinator	1	1		Fire Engineer/Paramedic	6	6	
Fire Battalion Chief	4	4		Office Assistant I/II	1		1
Fire Captain	16	12	4	Office Specialist	1	1	
Fire Prevention Inspector	2	1	1	Administrative Analyst I/II	1	1	
Hazardous Materials Inspector	3	1	2	Temporary Position (FTE)	1	1	
<b>TOTAL</b>					<b>81</b>	<b>61</b>	<b>20</b>

Staff Change(s): Fund one Office Specialist position and defund 5 Fire suppression positions.

**Expenditure Analysis**

Personnel Services	Decrease due to funding for staff changes indicated above.
Services and Supplies	Increase due to fire inspection services needed for new housing construction projects, increased equipment amortization and increased budget for protective gears.
Capital Outlay	None



	Actual 2010-11	Actual 2011-12	Budget 2012-13	Approved 2013-14
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	7,599,092	7,688,587	8,380,877	7,818,179
4112 Temporary Salaries	0	22,952	24,040	38,985
4113 Overtime	1,534,293	1,586,945	464,100	670,000
4121 Allowances	55,774	59,576	61,752	56,772
4124 Leave Cashout	580,186	209,931	0	0
4131 PERS	1,860,762	1,781,960	1,908,777	1,987,271
4132 Group Insurance	1,000,254	1,077,539	1,135,128	1,169,460
4133 Medicare	120,870	128,107	111,715	105,998
4135 Worker's Compensation	228,047	240,113	373,646	344,227
4138 Deferred Comp-Employer	37,149	38,456	41,161	37,800
4139 PARS	0	344	0	585
4161 Retiree Medical Reserve	391,793	390,411	382,940	355,951
<b>sub-total</b>	<u>13,408,223</u>	<u>13,224,920</u>	<u>12,884,136</u>	<u>12,585,228</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	1,493	0	0	0
4211 Equip Replacement Amortization	946,075	874,403	605,307	932,673
4220 Supplies	290,204	208,335	173,980	352,370
4230 Services	258,049	218,591	228,180	391,680
4410 Communications	1,666	1,513	1,600	0
4501 Memberships and Dues	2,952	6,856	8,994	9,694
4503 Training	85,309	27,126	65,208	64,308
<b>sub-total</b>	<u>1,585,748</u>	<u>1,336,824</u>	<u>1,083,269</u>	<u>1,750,725</u>
<b>CAPITAL OUTLAY</b>				
4870 Machinery & Equipment	38,815	0	0	0
4920 Machinery Tools & Equipment	446	0	0	10,000
<b>sub-total</b>	<u>39,261</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
<b>TOTAL</b>	<u><u>15,033,232</u></u>	<u><u>14,561,743</u></u>	<u><u>13,967,405</u></u>	<u><u>14,345,953</u></u>

<b>DEPARTMENT:</b> <b>Non-Departmental</b>
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*Description:* This department funds a variety of activities that are not specific to any one department. Personnel Services include expenditures not budgeted in the individual departments such as vacation and leave cashouts, benefit administration fees, retiree medical benefits and self-funded unemployment insurance. Supplies and Contractual Services include centralized copier costs for City Hall, utility payments and citywide tuition reimbursement. Sewer treatment plant maintenance and operation are funded in this department, as are all water purchases for the water fund. This department also funds debt services, equipment and vehicle replacement.

### **Expenditure Analysis**

**Personnel Services:** \$3,929,258 will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function.

**Services and Supplies:** \$4,900,000 is for Treatment Plant fees; \$2,855,000 is for gas, electric water and solid waste utilities; and \$12,840,000 is for water purchases. A total of \$45,000 is reflected in this function for citywide tuition reimbursement, computer training and personnel training. The City's insurance premium with ABAG is projected to be \$500,000 for the 2013-14 fiscal year.

**Debt Service:** \$684,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system.

**Equipment Replacement:** \$269,763 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

	100 General Fund	150 RDA Administratio n	102 Measure I TOT	211/237 H-H Lease CFD
<b>PERSONNEL SERVICES</b>				
4124 Leave Cashout	642,258	0	0	0
4132 Group Insurance	27,000	0	0	0
4136 Unemployment	270,000	0	0	0
4137 MOU Contractual Agreements	566,000	0	0	0
4139 PARS	8,000	0	0	0
4141 Adjustments-Payroll	670,600	0	0	0
4161 Retiree Medical Reserve	1,440,000	0	0	0
sub-total	<u>3,623,858</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>SUPPLIES &amp; CONTRACTUAL SERVICES</b>				
4205 Miscellaneous Grants	0	0	0	0
4220 Supplies	8,000	0	0	0
4237 Contractual Services	18,600	20,200	0	5,000
4239 Audit Fees	80,600	4,000	0	0
4241 Repair & Maintenance	0	0	0	0
4242 Rents & Leases	0	0	0	30,000
4253 ABAG Attorney's Fees	22,000	0	0	0
4254 ABAG Settlements	50,000	0	0	0
4421 Utilities-Gas	183,324	676	0	0
4422 Utilities-Electric	1,209,748	5,752	30,000	0
4423 Utilities-Water	648,890	810	13,000	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4426 Utilities - Solid Waste	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	13,000	0	0	0
4509 Tuition Reimbursement	27,000	0	0	0
4600 Insurance & Settlements	309,204	43,796	0	0
4610 Uncollectible Accounts	17,000	0	0	0
4640 Contingent Reserve	328,000	0	0	0
sub-total	<u>2,915,366</u>	<u>75,234</u>	<u>43,000</u>	<u>35,000</u>
<b>DEBT SERVICE</b>				
4701 Retirement of Principal	0	0	0	0
4711 Interest Expense	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>CAPITAL OUTLAY</b>				
4850 Vehicles	0	0	0	0
4870 Machinery & Equipment	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>6,539,224</u>	<u>75,234</u>	<u>43,000</u>	<u>35,000</u>

Non-Departmental

250 HCD Fund	280 Solid Waste Fund	295 Housing Authority	400 Water Fund	450 Sewer Fund	500 Equipment Replacement	Approved 2013-14
0	0	0	18,000	12,000	0	672,258
0	0	0	1,500	1,500	0	30,000
0	0	0	15,000	15,000	0	300,000
0	0	0	31,500	31,500	0	629,000
0	0	0	500	500	0	9,000
0	0	0	9,200	9,200	0	689,000
0	0	0	80,000	80,000	0	1,600,000
<b>0</b>	<b>0</b>	<b>0</b>	<b>155,700</b>	<b>149,700</b>	<b>0</b>	<b>3,929,258</b>
0	0	500,000	0	0	0	500,000
0	0	0	500	500	0	9,000
0	0	171,000	1,700	7,700	0	224,200
6,000	0	0	4,700	4,700	0	100,000
0	0	20,000	0	0	0	20,000
0	0	0	0	0	0	30,000
0	0	0	8,000	30,000	0	60,000
0	0	0	20,000	70,000	0	140,000
0	2,000	0	8,000	6,000	0	200,000
0	18,700	0	467,500	168,300	0	1,900,000
0	7,300	4,000	65,700	7,300	0	747,000
0	0	0	9,700,000	0	0	9,700,000
0	0	0	2,700,000	0	0	2,700,000
0	0	8,000	0	0	0	8,000
0	0	0	440,000	0	0	440,000
0	0	0	0	4,900,000	0	4,900,000
0	0	0	1,000	1,000	0	15,000
0	0	0	1,500	1,500	0	30,000
0	0	0	27,000	82,000	38,000	500,000
0	0	0	44,000	44,000	0	105,000
0	0	0	0	0	0	328,000
<b>6,000</b>	<b>28,000</b>	<b>703,000</b>	<b>13,489,600</b>	<b>5,323,000</b>	<b>38,000</b>	<b>22,656,200</b>
0	0	0	0	405,000	0	405,000
0	0	0	0	279,000	0	279,000
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>684,000</b>	<b>0</b>	<b>684,000</b>
0	0	0	0	0	258,335	258,335
0	0	0	0	0	11,428	11,428
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>269,763</b>	<b>269,763</b>
<u>6,000</u>	<u>28,000</u>	<u>703,000</u>	<u>13,645,300</u>	<u>6,156,700</u>	<u>307,763</u>	<u>27,539,221</u>

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**City of Milpitas**  
**2013-18 CAPITAL IMPROVEMENT PROGRAM**  
**GRAND SUMMARY**

<b>Project Expenses</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Total</b>
Community Improvement	1,400,000	3,250,000	0	1,125,000	0	5,775,000
Park Improvement	2,100,000	2,050,000	6,400,000	7,700,000	1,650,000	19,900,000
Streets	5,494,950	9,876,280	4,893,000	5,009,000	22,660,000	47,933,230
Water	2,400,000	10,605,000	3,725,000	3,670,000	1,750,000	22,150,000
Sewer Improvement	7,500,000	5,100,000	6,250,000	7,600,000	4,065,000	30,515,000
Storm Drain Improvement	0	1,100,000	4,150,000	2,370,000	2,930,000	10,550,000
<b>Total</b>	<b>18,894,950</b>	<b>31,981,280</b>	<b>25,418,000</b>	<b>27,474,000</b>	<b>33,055,000</b>	<b>136,823,230</b>

<b>Finance Sources</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Total</b>
1997 RDA Tax Allocation Bonds	0	520,748	0	0	0	520,748
Gas Tax Fund	1,700,000	1,406,800	1,368,800	1,500,000	1,200,000	7,173,600
2003 RDA Tax Allocation Bonds	0	3,463,532	0	0	0	3,463,532
General Government CIP Fund	1,900,000	925,000	0	0	0	2,825,000
Grants/Reimbursement/Developer Fee	1,690,050	227,200	67,200	0	0	1,984,450
Midtown Park Fund	350,000	300,000	3,000,000	0	275,000	3,925,000
Park Fund	1,750,000	1,750,000	400,000	400,000	0	4,300,000
Sewer Fund	5,000,000	2,600,000	2,750,000	2,600,000	3,065,000	16,015,000
Sewer Infrastructure Fund	0	0	1,000,000	2,500,000	1,000,000	4,500,000
Sewer Treatment Fund	2,500,000	2,500,000	2,500,000	2,500,000	0	10,000,000
Street Fund	300,000	0	0	0	0	300,000
Water Fund	1,050,000	2,705,000	1,625,000	1,600,000	1,250,000	8,230,000
Water Line Extension Fund	350,000	800,000	1,000,000	1,070,000	0	3,220,000
Storm Drain Fund	0	400,000	250,000	0	100,000	750,000
Traffic Congestion Relief Fund	(5,100)	0	0	0	0	(5,100)
Equipment Replacement Fund	0	125,000	0	125,000	0	250,000
Unidentified Funding	0	6,300,000	7,400,000	13,720,000	24,705,000	52,125,000
Traffic Impact Fees	0	500,000	0	0	0	500,000
TASP Impact Fees	1,000,000	6,500,000	3,100,000	500,000	500,000	11,600,000
Transient Occupancy Tax (TOT)	600,000	600,000	600,000	600,000	600,000	3,000,000
LLMD	410,000	58,000	59,000	59,000	60,000	646,000
Vehicle Registration Fee	300,000	300,000	300,000	300,000	300,000	1,500,000
<b>Total</b>	<b>18,894,950</b>	<b>31,981,280</b>	<b>25,418,000</b>	<b>27,474,000</b>	<b>33,055,000</b>	<b>136,823,230</b>

**NOTES**

- (a) "Other" are identified on the detailed project sheets.
- (b) Grants are identified on the detailed project sheets.

## COMMUNITY IMPROVEMENT PROJECTS

The Community Improvement category includes continued funding of one existing project and funding of three new projects as shown on the opposite page:

### **Project Number-Name**

Description

#### **3406-City Facilities Improvements**

This project involves renovation and rehabilitation improvements at all City buildings. The work involves replacement of electrical and mechanical systems at the Community Center, water heater/co-generator and pool equipment renovations at the Sport Center, electrical upgrades, including an emergency generator at the Sport Center. Work will also include energy savings improvements, such as replacement of lighting fixtures with energy saving fixtures, and installation of a more efficient climate controls systems.

#### **3408-MSFC Facility Improvements**

This project provides for various improvements to the Milpitas Sports Center facility. The work includes resurfacing the plaster at the three swimming pools and replacement of tile work, lane lines, and other pool elements. The project will reconstruct the Men's and Women's showers/restroom area, replace the locker room flooring and other code related upgrades to the facility.

#### **3409-Police/Public Works Generator Transfer Switch Replacement**

This project provides for the replacement and upgrade of the Police/Public Works building switch gear and emergency generator automatic transfer equipment and other building management systems.

#### **3410-Police/Public Works Building Improvements**

This project provides for the repair of the roof systems and parapet walls, repair and replacement of window systems, removal of the wooden sun shade structure, and exterior patching and painting.

**COMMUNITY IMPROVEMENT PROJECTS**

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
331-3406	City Facilities Improvements	\$ 500,000
331-3408 *	MSC Facility Improvements	500,000
331-3409 *	Police/Public Works Generator Transfer Switch Replacement	100,000
331-3410 *	Police/Public Works Building Improvements	<u>300,000</u>
	TOTAL COST	\$ <u><u>1,400,000</u></u>

AVAILABLE FINANCING SOURCE:

General Government Fund	\$ <u>1,400,000</u>
TOTAL AVAILABLE	\$ <u><u>1,400,000</u></u>

NOTE: Asterisk (\*) indicates new projects.

## PARK IMPROVEMENT PROJECTS

The Park Improvement category includes continued funding of one existing project and funding of two new projects as shown on the opposite page:

### **Project Number-Name**

Description

#### **5096-Pinewood Park Picnic Renovation**

This project provides for the design and construction of renovation improvements for various elements at Pinewood Park. Improvements will include large picnic area and perimeter landscaping, ADA compliance assessment and improvements, drainage, lighting, walkways, irrigation, and related improvements.

#### **5097-Higuera Adobe Park Picnic & Playground Renovation**

This project provides for the design and construction of renovation improvements for various park elements at the Higuera Adobe Park. Improvements will include large picnic area behind the adobe building, playground including shade structures, and surrounding area. Maintenance to the care takers building, ADA compliance assessment and improvements, drainage, landscaping, walkways and related improvements.

#### **5098-Park Irrigation System Repair Improvement 2014**

This project provides for the repair and replacement of park irrigation systems and related equipment in City Parks. The City has over 25 parks through out the City, and many of these parks have irrigation systems that are over 40 years old. These older systems are inefficient and leak, and there are some that are no longer operational. Irrigation systems that do operate require a significant amount of maintenance to fix continuous line breaks or to adjust worn parts.

**PARK IMPROVEMENT PROJECTS**

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
321-5096	Pinewood Park Picnic Renovation	\$ 1,650,000
321-5097 *	Higuera Adobe Park Picnic & Playground Renovation	300,000
321-5098 *	Park Irrigation System Repair & Improvement 2014	<u>150,000</u>
	TOTAL COST	\$ <u><u>2,100,000</u></u>

AVAILABLE FINANCING SOURCE:

Park Fund	\$ 1,750,000
Midtown Park Fund	<u>350,000</u>
TOTAL AVAILABLE	\$ <u><u>2,100,000</u></u>

NOTE: Asterisk (\*) indicates new projects.

## STREET IMPROVEMENT PROJECTS

The Street Improvement category includes continued funding of three existing projects and funding of six new project as shown on the opposite page:

### **Project Number-Name**

Description

#### **3402-McCarthy Boulevard Landscape & Lighting Improvements**

This project provides for design and construction of landscape and irrigation system renovation on McCarthy Boulevard, between Highway 237 and Dixon Landing Road. This project will also include lighting and other related improvements.

#### **3411-Sinclair LMD Improvements**

This project provides for design and construction of landscape and irrigation system renovation of 98-1 Lighting and Maintenance District, surrounding the Sinclair Horizon Development. This project will also include lighting and other related improvements.

#### **3412-Street Resurfacing Project 2014**

This project provides for a variety of pavement resurfacing treatments, from slurry seal to major rehabilitation and reconstruction. Streets are selected for improvements based on the City's Pavement Management System.

#### **4254-Sidewalk Replacement 2011**

This project involves citywide replacement of existing curb, gutter and sidewalk. The project also involves street tree root cutting to prevent further damage to sidewalks. The scope also includes installation of ADA ramps. In FY13-14 \$39,338 is defunded and the funding is transferred to another street project.

#### **4267-Soundwall Renovations**

This project renovates the City owned sound walls along North Milpitas Boulevard, Escuela Parkway, Jacklin Road at Horcajo, La Palma, Hillview Drive at Tularcitos Creek, Nicklaus at North Park Victoria and other locations. Portions of the walls have deteriorated and will need to be structurally repaired or completely replaced.

#### **4270-2014 Road Rehabilitation**

This project provides for pavement rehabilitation overlay of local streets at various locations on Abel Street, Dixon Road, and Arizona Avenue. The project also includes the installation of curb ramps and repairing sidewalks to increase accessibility in the neighborhood.

#### **4271-Bridge Improvements**

The City owns and maintains eighteen roadway bridges and five pedestrian/bicycle bridges. This project provides for a variety of preventative maintenance improvements including deck resurfacing, crack sealing, and improvements identified in the bi-annual bridge inspection reports performed by the California Department of Transportation.

#### **4272-Minor Traffic Improvements 2014**

This project provides for traffic studies, speed surveys, and traffic counts. This project also includes minor traffic improvements that result from community service requests. Typical improvements include roadway markings/signage improvements and the installation of roadway undulators.

#### **4273-Street Landscaping Irrigation Repair 2014**

This project provides for the repair and replacement of streetscape and median irrigation systems and related equipment on City streets. The City has many miles of landscaped street medians and curb planter areas in the City. The older irrigation systems are leaking and inefficient and do not provide suitable irrigation to support healthy landscape.

**STREET IMPROVEMENT PROJECTS**

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
331-3402	McCarthy Boulevard. Landscape & Lighting Improvements	\$ 350,000
331-3411	* Sinclair LMD Improvements	60,000
331-3412	* Street Resurfacing Project 2014	2,574,288
311-4254	Sidewalk Replacement 2011 (defunding)	(39,338)
311-4267	Soundwall Renovations	150,000
311-4270	* 2014 Road Rehabilitation	2,000,000
311-4271	* Bridge Improvements	150,000
311-4272	* Minor Traffic Improvements 2014	100,000
311-4273	* Street Landscape Irrigation Repair 2014	150,000
	TOTAL COST	<u>\$ 5,494,950</u>

AVAILABLE FINANCING SOURCE

Measure I TOT Fund	\$ 600,000
Gas Tax Fund	1,700,000
LLMD 95-1	350,000
LLMD 98-1	60,000
Street Fund	294,900
Vehicle Registration Fee Fund	300,000
General Government Fund	500,000
Federal Grant	1,650,000
State Grant	40,050
TOTAL AVAILABLE	<u>\$ 5,494,950</u>

NOTE: Asterisk (\*) indicates new projects.

## WATER IMPROVEMENT PROJECTS

The Water Improvement category includes continued funding of one existing project and funding of five new projects as shown on the opposite page:

### **Project Number-Name**

Description

#### **2003-TASP Recycled Water Line Extension**

This project constructs new 8-inch diameter water lines in the Transit Area Specific Plan. The first phase will include South Milpitas Boulevard, south of Gibraltar; McCandless Drive between Penitencia Creek and Montague; and along Trade Zone.

#### **7115-Cathodic Protection Improvements**

This project provides an evaluation study and installation of corrosion monitoring station and recommendations for retrofit or anode replacement. The project will also provide for upgrades of deficiencies defined in the evaluation study.

#### **7117-Abel Street Pipeline Extension**

This project installs 300 liner feet of 12-inch pipe to connect three "dead-end" pipes, one on Abel street and two on Carlo Street. This improvement will improve water pressure and water quality through improved system circulation.

#### **7118-Dempsey Road Water Line Replacement**

This project replaces approximately 3,400 liner feet of 12-inch diameter cast iron pipe along Dempsey Road, between Calaveras Boulevard and Yosemite Drive. The pipe was installed in 1950's and has reached the end of its useful life.

#### **7119-Sunnyhills Turnout Pressure Reducing Valve**

This project involves the installation of a pressure reducing value at the Sunnyhills Turnout.

#### **7120-Water Supply Blending Study**

This project provides an engineering study to analyze the feasibility and cost benefits of connecting the Curtis Avenue ground water well to Gibraltar Reservoir and pump station for the purpose of blending well water with Santa Clara Valley Water District and Hetch-Hetch water, and blending of the two wholesale water supplies.

**WATER IMPROVEMENT PROJECTS**

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
351-2003 *	TASP Recycled Water Line Extension	\$ 1,000,000
401-7115	Cathodic Protection Improvements	350,000
401-7117 *	Abel Street Pipeline Extension	350,000
401-7118 *	Dempsey Road Water Line Replacement	500,000
401-7119 *	Sunnyhills Turnout Pressure Reducing Valve	100,000
401-7120 *	Water Supply Blending Study	100,000
	<b>TOTAL COST</b>	<b>\$ <u>2,400,000</u></b>

AVAILABLE FINANCING SOURCE:

Transit Area Specific Plan Fund	\$ 1,000,000
Water Fund	1,050,000
Water Line Extension Fund	<u>350,000</u>
<b>TOTAL AVAILABLE</b>	<b>\$ <u>2,400,000</u></b>

NOTE: Asterisk (\*) indicates new projects.

**SEWER IMPROVEMENT PROJECTS**

The Sewer Improvement category includes funding of one new project as shown on the opposite page:

**Project Number-Name**

Description

**6118-San Jose Water Pollution Control Plant Improvements**

The City of Milpitas pumps its sewage to the San Jose Water Pollution Control Plant for waste water treatment before it can be discharged into the San Francisco Bay. This plant was originally constructed in 1956 and is reaching the end of its useful life and is in need of a complete overhaul. The City of San Jose which operates the plant is undergoing a large rehabilitation project to completely overhaul the plant over the next 30 years. The City of Milpitas uses approximately 7% of the plant and will be responsible for 7% of the estimated \$2 billion or \$140 million in improvements that will be made over the next 30 years.

**SEWER IMPROVEMENT PROJECTS**

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
451-6118 *	San Jose Water Pollution Control Plant Improvements	\$ <u>7,500,000</u>
	TOTAL COST	\$ <u><u>7,500,000</u></u>

AVAILABLE FINANCING SOURCE:

Sewer Fund	\$ 5,000,000
Sewer Treatment Fund	<u>2,500,000</u>
TOTAL AVAILABLE	\$ <u><u>7,500,000</u></u>

NOTE: Asterisk (\*) indicates new projects.

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## Budget and Budgetary Accounting

### What is the City Budget?

Every year the City Council adopts a Budget and Financial Plan for the next fiscal year, (the City's fiscal year runs from July 1 of one year through June 30 of the next year). The Budget is the City's business and financial plan for the year.

The two purposes of the Budget are: (1) to set goals, objectives, and service levels for the City to meet during the next year (thus insuring the provision of City services to Milpitas residents); and (2) to estimate and allocate the money the City will take in and spend during the year.

In many ways the City's Budget is like a household budget. Every year we sit down and estimate what we think our income will be for the coming year, and make plans on how to spend and save this income. There are some key differences, however, between the City and a household budget. Our income (called revenue) can fluctuate substantially within a given year or from year to year. It is not like having a known paycheck to spend or save. There are very few sources of income over which the City has direct control. For example, we have no control over property tax revenue; it can fluctuate depending on the number of homes sold in the community and the amount of building activity. The level of building activity also impacts other sources of revenue such as building permit fees. These are revenues that have a somewhat direct relationship with the general state of our economy. The economy also affects another major source of income -- sales tax -- which depends on the amount of goods people buy in our community.

We have a little more certainty and control over how much money we spend, but even that has some impacts and restrictions which reduce our flexibility. The federal government and state government require we make additional expenses, such as Medicare contributions and require methods of compensating for overtime mandated by federal law. In addition, we do not, in most cases, have the ability to stop doing things simply because we do not have the income. Police and fire protection are good examples. Even if revenue decreases substantially, we still need to be able to staff the fire stations and provide a minimum level of police patrol services.

It is important to remember that the numbers in the Budget are estimates. Many things happen during the year that impact our income and spending. However, we try to budget as best we can. We try very hard to estimate revenues realistically but also conservatively enough to insure that there are adequate funds to meet our needs. We also budget a contingency reserve each year to meet unanticipated expenses, and we maintain adequate reserves to protect us from future unknowns. As a "rule of thumb", we try to maintain an unallocated, or unbudgeted, reserve in the general fund that is at least 15% of the general fund operating budget.

### What are "Funds"?

The City's Budget is financed by the use of different "funds". A fund can be thought of as a separate bank account used for specific purposes. The **General Fund** is the City's main operating fund used to pay for "traditional" city services such as police and fire protection, administration, street maintenance, and recreation functions. These activities utilize most tax dollars, such as property tax and sales tax, but are also supported by licenses and permits, court fines, and investment earnings. Some activities in the General Fund, such as building inspection and recreation functions, are also intended to be substantially self-supporting through fees for services charged to individuals. In areas where specific benefit for a service can be identified to specific individuals, the City has a policy of charging a fee to offset the cost of providing the service.

Another major group of City funds are called **Enterprise Funds**. These funds are used to account for specific services which are funded directly by fees and charges to users. In Milpitas, Enterprise Funds include the Water Fund and the Sewer Fund. The intent is that these two funds be completely self-supporting and not be subsidized by any general revenue or taxes. The utility bills sent to each household and business in the community charge for the cost of providing water and sewer customer services. These funds are accounted for as if each activity was a separate, independent non-profit business of the City.

Various **Capital Improvement Funds** are also maintained by the City. A capital improvement is usually a large construction project such as the resurfacing of City streets, the development of park land, the construction of an overpass, the installation of a traffic signal, or the acquisition of land and construction or remodeling of a public building. The City's Capital Improvement Funds include the Street Improvement Fund, the Park Fund, and the Treatment Plant Construction Fund. Water and Sewer capital projects are financed in the respective Enterprise Funds.

Finally, the City maintains **Debt Service** and **Special Revenue Funds**. The former type of fund is used to pay the principal and interest payments associated with retiring bonds that the City has issued. The later funds set aside special revenue, such as Housing and Community Development federal revenue, which is restricted in its use.

### **How is the Operating Budget Prepared?**

The **Proposed Budget and Financial Plan** is prepared each year by staff, detailing what will be necessary to provide City services for the upcoming year, identifying various department objectives and significant policy issues for Council direction. After delivery of the Proposed Budget to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the Budget. The City Council then adopts the Proposed Budget as it may be amended during the budget hearings. A Final Budget is subsequently adopted, formally incorporating in a single document the changes that were directed during the budget hearings.

The proposed budget document is prepared to insure that the spending authority proposed carries with it an anticipated level of service. The budget process is designed to integrate the managerial task of planning with the quantitative task of presenting expenditure requests for approval. The process assumes that individual managers have the most insight into their own operations and, therefore, should be the ones to identify and support the various alternative levels of service they are able to provide as well as the costs of those levels.

### How is the Capital Improvement Program Budget Prepared?

The **Five-year Capital Improvement Program Budget** is prepared each year, in a process that parallels the preparation of the Operating Budget (as shown in the Budget Preparation Timeline included in the Budget Guidelines and Fiscal Policies section).

Departments are asked to submit a comprehensive prioritized list of all of their Capital Improvement Program (CIP) projects. CIP projects are prioritized using the following categories (listed in priority order): mandatory or committed projects, health and safety projects, maintenance of existing capital assets or systems, major service equipment replacement, projects which avoid future additional costs, studies and analyses, enhance economic development and improve the quality of life. The Finance Department and the Engineering Division work closely in the funding analysis phase of the CIP process to determine which project will proceed and which projects may be accelerated or delayed. Unlike the Operating Budget, before the CIP Budget can be submitted to the City Council, the Parks projects must be submitted to the Parks, Recreation and Cultural Resources Commission for their approval. All

CIP projects are submitted to the Planning Commission to ensure the CIP projects are in conformance with the General Plan.

After delivery of the Preliminary Report to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the CIP. The City Council then adopts only the first year of the Five-year Capital Improvement Program Budget as it may be amended during the budget hearings. A Final Capital Improvement Program Budget is subsequently adopted, formally incorporating the changes that were directed during the budget hearings into a single document.

#### Budgets and Budgetary Accounting

The City's budget is adopted on a basis consistent with generally accepted accounting principals (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis. (See discussion of basis of accounting on the next page.)

The City adopts an annual Operating Budget and Financial Plan on or before June 30<sup>th</sup> each year. The City follows these procedures in establishing the budgetary data reflected in their financial statements:

- On or before June 14, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and identified financing means.
- Public budget hearings are conducted to evaluate the proposed budget and seek public input.
- Prior to July 1, the budget, as may be amended, is adopted by the City Council.
- A final budget document which summarizes the adopted budget is formally enacted, within 90 days, by resolution of the City Council.
- The City Manager is authorized to transfer budgeted amounts within departments within a fund. The City Manager has limited discretion to appropriate funds in an aggregate amount not to exceed the equivalent of 1% of the General Fund budget.
- Budgeted amounts are as originally adopted, or as amended by the City Council.

The legal level of budgetary control is exercised at the departmental level for those funds which have annually adopted budgets: General Fund, Special Revenue Funds and Capital Projects Funds.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Capital Projects Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through the various bond indenture provisions.

Appropriations automatically lapse at the end of the fiscal year unless an encumbrance exists, with the exception of balances remaining in the capital project accounts and grant accounts at the end of the fiscal year. These balances are carried forward to the following fiscal year until the project is completed.

#### Prop 4 – Appropriations Limit

The City establishes an appropriations limit by resolution, each year during the budget process, which commences after the beginning of each fiscal year. The appropriation base is adjusted each year by changes in population, cost of living and transfers of financial responsibility.

### Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The procedure for amending budgets depends on the type of change that is needed. One type of change does not affect the “bottom line” total for a department. These changes, mainly transfers from one-line item to another within a department’s operating budget or changes between two divisions within a department.

The second type of budget amendment brings about a change in the total appropriation for a department or fund. Examples of these changes include but are not limited to:

- the acceptance of additional grant money which might become available;
- changes providing for increases in permanent personnel or changes in classification for personnel from the number of positions approved in the Budget;
- the appropriation of additional funding if expenditures are projected to exceed budgeted amounts; or
- the reappropriation of monies from one fund to another when deemed necessary.

These types of changes would require City Council approval in the form of a budget appropriation.

### Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement that is applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are property and sales taxes and interest revenue. Forfeitures, licenses, permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Revenues not considered earned but received are accounted for as revenue collected in advance.

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt services funds until it is due. Financial resources usually are appropriated in funds responsible for repaying debt for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Revenues for services provided but not billed at the end of the fiscal year are not material and are not accrued.

### Use of Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized

service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. In FY 2006-07, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The results from the study were applied to the FY 13-14 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 13-14 can be found on pages 108-109 of this document.

### How Can I Learn More?

We hope that this brief introduction to the Budget has been helpful. You can learn a great deal more by reading this document. We have also included a glossary of terms in the Appendix section of this Budget to help you better understand some of the common jargon. If you would like additional information about the Budget, or have ideas on how we can make the Budget more understandable and informative, please contact the Director of Financial Services at [webmaster@ci.milpitas.ca.gov](mailto:webmaster@ci.milpitas.ca.gov).

## Fund Descriptions

The basic accounting and reporting entity for a City is a fund. A fund is “an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created”. Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary and fiduciary. Governmental funds include activities usually associated with a typical state or local government’s operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follows:

### **Governmental Funds**

Government Funds include activities usually associated with the governmental entities’ operations (police, fire and general government functions).

**General Fund** -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for general government activities, public safety, most street work and the other services described above.

**Measure I Transient Occupancy Tax Fund** - was established to account for 2% Transient Occupancy Tax of the cost of hotel and motel rooms in the city. This measure was approved by the Milpitas voters on November 7, 2000 to pay for most City services including Police, Fire or library, etc.

**Special Revenue Funds** -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

- **Public Art Fund** - was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas’ citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City’s share of state gasoline taxes.
- **Lighting and Landscape Maintenance District Fund** - was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **2005 Community Facility District Fund** - was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services.
- **Housing and Community Development Fund** - was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** - was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.

- **Solid Waste Services Fund** - was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.
- **Housing Reserve Fund** - was established by the Redevelopment Agency of the City of Milpitas to account for tax allocations set aside for the purpose of increasing or improving the City's supply of low or moderate income housing. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.
- **Housing Authority Fund** - was established to allow the City to aggressively plan and address aging of the Milpitas housing stock, limited amount of land, high costs of housing, continuous overcrowding and potential increase in unsanitary conditions. The establishment of a Housing Authority allows the City to improve the quality of life and standard of living for a substantial number of its residents.

**Debt Service Funds** -- Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on governmental fund long-term debt. The City has the following outstanding bonds: 2003 Tax Allocation Bond and 2006 Certificates of Participation.

**Capital Projects Funds** -- Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

- **Redevelopment Project** - was established to account for the financing and construction activities in the redevelopment project areas. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.
- **Street Improvement Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and federal grants.
- **General Government Fund** - was established to account for the construction and maintenance of community improvements. Capital projects previously accounted for in the General Fund has been incorporated in this fund.
- **Park Improvement Fund** - was established to account for the construction and maintenance of City parks. Financing is provided by a special parks improvement fee imposed on developments.
- **Transit Area Impact Fee Fund** - was established to account for the financing and construction activities of infrastructure in the Transit Area Specific Plan.
- **Storm Drain Improvement Fund** - was established to account for the construction and maintenance of City storm drains. Financing is partially provided by fees imposed on developments.

## **Proprietary Funds**

**Enterprise Funds** -- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates the Water Utility and Sewer Utility enterprise funds.

- **Water Utility Fund** - was established to provide water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Sewer Utility Fund** - was established to provide sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

**Internal Service Funds** -- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

- **Equipment Management Fund** - was established to finance and account for the replacement of equipment used by City departments on a cost reimbursement basis.
- **Information Technology Replacement Fund** - was established to finance and account for the replacement of information technology equipment used by City departments.
- **Permit Automation Fund** - was established to finance and maintain the online permit development system.

### **Fiduciary Funds**

**Agency Funds** -- Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

- **Employee Deferred Compensation Plan** - was established to account for accumulated employee funds withheld and invested as provided by the Plan.
- **LIDs Fund** - was established to account for debt service reserves of Local Improvement Districts (LID) for which the City acts as administrator and paying agent. The City is not obligated for the debt issued by the LIDs.
- **Employee Benefit Fund** – was established to account for self-insured employee dental plan, short-term disability plan and MOU contractual agreements.
- **Senior Advisory Commission Fund** – was established to account for the fund raising activities of the Commission.

## Revenue Descriptions

The City of Milpitas provides many services to its residents such as Police, Fire, Parks, Recreation, etc. These services are not without cost to the taxpayer. It is the task of City Officials to produce the necessary revenue to satisfy the ever-growing demand for local services.

The City of Milpitas receives revenue from many sources to offset the costs of its operations. Revenue is received from sales taxes, property taxes, and many other sources. For each fiscal year, the City's revenues are estimated conservatively and, therefore, actual revenues received often exceed the estimated projections. This section will describe the major revenue sources available to the City. The Summary of Current Revenues by Fund will provide a more detailed breakdown of all revenues. The major revenue sources are as follows:

### Property Taxes

**Property Taxes** -- Property tax is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property located within the City. The tax comprises one percent of the assessed value of the property. The assessed value of real property appraised by the County Assessor in the 1975-76 assessment role value adjusted after 1975 by a two percent inflation factor per year. When property changes hands or new construction occurs, it is reassessed at its current market value.

### Other Taxes

**Sales and Use Tax** -- Sales and use tax is imposed on retailers for the privilege of selling, at retail, within the City limits. This tax is based on the sales price of any taxable transaction of tangible personal property. The Bradley-Burns Uniform Local Sales and Use Tax Law, adopted in 1955, extends the authority to impose local tax to counties. One percentage point of the sales tax collected by the State Board of Equalization is allocated back to the City for general purposes. This revenue is placed in the General Fund for unrestricted uses.

**Franchise Fees** -- A Franchise Fee is imposed on various utilities and organizations which permits them to use and operate those facilities within the City. In Milpitas, franchise fees are charged for Electric, Gas, Garbage, Nitrogen Gas and Cable Television franchises.

**Business License Tax** -- A Business License Tax is imposed on businesses for the privilege of conducting business within the City. Fees are based on bracketed structures according to the type of business. The fee structures are as follows: average number of employees, number of units or rooms, number of vehicles or a flat fee.

**Transient Occupancy Tax** -- The Transient Occupancy Tax in Milpitas is a ten percent (10%) tax on the cost of a hotel room and imposed on "transients" who occupy a room or rooms in a hotel, inn, motel, tourist home or other lodging facility within the City's limits.

### Licenses and Permits

**Building Permits** -- The City requires that building permits be obtained to ensure that structures meet specific standards as identified in the Municipal Code. The City requires various construction permits for activities such as the installation of electrical and plumbing. The City charges a fee for issuing these permits in order to recover the costs incurred.

**Fire Permits** -- The Milpitas Municipal code requires permits be obtained and inspections conducted to ensure activities regulated by the fire code meet specific standards for the protection of life, property and the environment. Activities include: high piled combustible storage, hazardous materials, assembly, and life safety inspections of licensed facilities, apartments, and hotels and motels.

## Fines and Forfeitures

**Vehicle Code and Other Court Fines** -- The City receives a portion of all fines assessed, in Milpitas, for infractions of the State of California Vehicle Code and may receive other court fines as directed by the County, State or Federal Courts.

**False Alarm Fees** -- Currently the Milpitas Municipal Code provides that a property may have two false alarms in a one-year period. Subsequent false alarms, within that period, are assessed a service charge that can increase from \$300 to \$900 depending on the number of alarms.

**Booking Fees** -- Counties within California are authorized to charge a “criminal justice administrative fee” intended to cover the “reimbursement of County expenses incurred” for booking and processing of arrested persons who are brought to the County jail for booking or detention. In return, Judges may pass along the City’s costs to the offender as part of their court-ordered restitution.

## Use of Money and Property

**Interest on Pooled Investments** -- Interest income is earned as the City invests its idle funds in various investment instruments. The goal of the City regarding investments is to ensure the safety of each investment and maintain liquidity while achieving a fair rate of return - safety, liquidity and yield - in that particular order.

## Intergovernmental

**Motor Vehicle In-Lieu Tax** -- The Motor Vehicle In-Lieu Tax is collected by the State Department of Motor Vehicles through its vehicle registration program in-lieu of a City personal property tax on motor vehicles.

**Gas Tax** -- The State Gas Tax is derived from State of California taxes on gasoline purchases and is allocated, on a share basis, to cities. The Gas Tax revenues are broken down into Sections 2106, 2107 and 2107.5. Sections 2106 and 2107 funds are restricted to the construction, improvements and maintenance of public streets. Section 2107.5 funds are restricted to engineering costs and administrative expenses with respect to City streets.

**Federal, State and County Contributions** -- Senior Nutrition fees are one example a County contribution that is reimbursed to the City from the County of Santa Clara for lunches provided to senior citizens.

Miscellaneous Grants --

- Community Development Block Grant - The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing function.
- Public Safety Grants - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and Justice Assistance Grant. Future grant spending will be designated for vehicles, equipment and technology improvements.
- SB90 - The law in the State of California provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1990, as a result of any new statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

## Charges for Current Services

**Charges for Current Services** -- All City’s basic service charges are recorded at the department or division levels that are associated with specific governmental and enterprise activities. These service levels are: General Government, Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

**Planning Fees and Sale of Maps and Documents** -- Included in these fees are a range of service charges for staff responses to inquiries from the public to review and interpretation of complicated planning and zoning ordinances. Also included are reproduction costs associated with maps and documents from all functions within the organization.

**Recreation Fees** -- Recreation fees include user program fees for preschool, after-school, teen and summer camp programs; swimming lessons; special events and youth and adult recreational classes.

**Rents and Concessions** -- Rental fees are charged for the private use of City facilities. Rental facilities include the Community Center, Sports Center, Senior Center, the Jose Higuera Adobe and parks throughout the City.

## Other Revenues

Development --

- Park Development Fees - The Park Development Fee is paid by a developer or subdivider for park or recreation purposes, in-lieu of the dedication of the land.
- Treatment Plant Fees - Treatment Plant fees are payment for the purchase of waste water treatment capacity rights. The fee is measured in gallons per day, and the higher the usage, the higher the fee. All fees collected are used for Capital Improvement Projects or for Capital Operating Costs at the San Jose/Santa Clara Water Pollution Control Plant or within the City.
- Traffic Impact Fees - A Traffic Impact Fee is an exaction from a developer to mitigate traffic impacts associated with the development of the subject property. These fees can be dictated by ordinance or by documentation in a Traffic Impact Analysis (TIA) and are then conditions of approval for the development.

Reimbursements --

- AVASA - Beginning in 1996, the State of California, through the Abandoned Vehicle Abatement Service Authority, began reimbursing cities for vehicle abatement activities based on a per vehicle cost. The State reimbursement varies from year to year based on the number of vehicles claimed by all participating cities.

Miscellaneous --

- Special Assessments - Local Improvement Districts (LIDs) are established in various parts of the City to provide improvements to properties located in those districts. Properties in the districts are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt
- Solid Waste - Currently the Solid Waste function has two very different revenue streams. The first AB939 is collected by the County as a Tipping Fee at the Landfill and reimbursed to the City on a quarterly basis. The purpose of this fee is to encourage achievement of the State's landfill reduction goal. The second fee is paid by the solid waste customers, incorporated in user rates, and is specifically earmarked for community education and the Household Hazardous Waste programs.

## Expenditure Descriptions

### Personnel Services

#### Salaries and Wages

**Permanent** – Salaries for full time and part time permanent employees.

**Temporary** – Salaries full time and part time employees who are hired in temporary or substitute basis.

**Overtime** – Amounts paid to employees for work performed in addition to the normal work period. Hours work in excess of 40 hours per week.

#### Allowances / Leaves

**Allowances** – Amounts paid to employees who are entitled to allowances such as car, telephone, uniform, special licenses, canine, motorcycle, SWAT, pager and bilingual pay.

**Leave CashOut** – Amounts paid to employees for hours cashed out from sick or vacation time banks.

**Accrued Leave** – To record year-end adjustments of accrued vacation according to the Generally Accepted Accounting Principles (GAAP). For ACCOUNTING USE ONLY.

#### Benefits

**P E R S** – Amounts contributed to the Public Employees' Retirement System (PERS) plan for its employees.

**Group Insurance** – City of Milpitas' share of any insurance coverage for its employees such as Medical, Dental, Vision, Life Insurance, Long Term Disability and Short Term Disability.

**Medicare-Employer's Contribution** – City of Milpitas' share of the Federal Medicare contributions for its employees.

**Worker's Compensation** – Amount allocated to pay for worker's compensation claims made by employees.

**MOU Contractual Agreements** – Amounts paid according to negotiated MOU agreements.

**Deferred Compensation** – Employer Contribution – Contributions made to the employees' deferred compensation plan.

**P A R S** – Amounts contributed to the Public Agency Retirement System-Alternate Retirement System (PARS-ARS) plan for temporary employees not in the PERS system. This is an alternative to the Social Security System.

#### Retiree Benefits

**Retiree Medical Reserve** – Amount allocated to fund a portion of the outstanding retiree medical benefits liability.

**Retiree Medical Payment** – Payment of the outstanding retiree medical benefits liability.

**Retiree Medical Reimbursement** – Reimbursement from California Employer Benefit Trust fund for retiree medical payment.

#### Adjustments – Payroll

**Adjustments** – Payroll – To record year-end payroll adjustments in accordance to the Generally Accepted Accounting Principles (GAAP), i.e., Accrued Payroll which reflects salaries and wages earned by employees as of June 30 but not paid until July. FOR ACCOUNTING USE ONLY.

**Vacancy Factor** – Budget amount to account for vacant positions.

**Charged to CIPs** – Budget amount to account for payroll costs that will be charged to the Capital Improvement Projects.

**Overhead** – PJs contractual Labor and Payroll – A charge made to a developer account to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account charged.

**Salary Reduction** – Budget amount to account for reduced funding.

## Supplies and Contractual Services

### Community Promotions, Grants and Loans

**Community Promotions** – Public relations activities that are aimed to contribute to the progress or growth of the community.

**Community Promotions CC Allocated** – Public relations activities for progress or growth of the community allocated by the CITY COUNCIL.

**Community Promotions CC Unallocated** – Public relations activities for progress or growth of the community not yet allocated by the CITY COUNCIL.

**Cultural Arts Grants** – Financial assistance provided for Cultural Arts programs or activities.

**Miscellaneous Grants** – Financial assistance provided for miscellaneous grant programs.

**Sports Grants** – Financial assistance provided for Sports programs or activities.

**Housing Rehab Loans** – Amount loaned to homeowners for housing rehabilitation purposes under the Community Development Block Grant (CDBG) program.

**CDBG Grants** – Payment to subrecipients of CDBG Grants.

**Miscellaneous Loans** – Loans other than for housing rehabilitation purposes under the CDBG program.

### Department Allocations

**Equipment Replacement Amortization** – Department's share of the fund being set aside for the purpose of replacing equipment in the Equipment Replacement Program.

### Supplies

Generally, these are items that are consumed.

**Office Supplies** – Purchased for office use. Examples are pen, folders, drinking water, and coffee.

**Departmental Supplies** – Items that are used for the programs of the department. Examples are food for the Senior Center, sports supplies for the Recreation Department, target supplies for the Police Department, and tools for Public Works.

**Maintenance Supplies** – Used for repairs and maintenance of equipment or building. Examples are bolts, screws, nails, janitorial supplies, etc.

**Health & Safety Supplies** – Used for health and safety purposes. Examples are goggles, safety shoes, hard hats, gloves, first-aid kits, VDT glasses, etc.

### Contractual Services

Generally, amount paid for services rendered by organization or personnel not on the payroll of the City of Milpitas. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

**Advertising** – Costs of media services and associated costs. Media advertising includes magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. Examples are advertising for such purposes as personnel recruitment, legal ads, new and used equipment and sale of property, and City Clerk notices of meetings.

**Blueprinting** – Usually are services provided to blueprint the engineering plans.

**Contractual Services** – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or

permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

**Contractual Services-PJ's Labor** – Rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement for its Private Jobs (PJ). Examples are carpentry, painting, and other labor for the City's Private Jobs.

**Audit Fees** – Professional services provided by Certified Public Accountants (CPA) firms for the purpose of auditing the City's financial statements. Example is the Comprehensive Annual Financial Report.

**Street Sweeping** – Includes sweeping and washing streets, flushing gutters and underpasses and collecting and disposing of debris from streets and public roadways.

**Repair & Maintenance** – Repair and maintenance services provided by personnel not on the payroll of the City of Milpitas. This includes repair and maintenance of the City's buildings and equipment. Examples are vehicular, equipment, and/or facilities repair and maintenance. Cost of warranty obtained after the original equipment warranty expired or any warranties obtained after the purchase of the equipment should be recorded to this account. Annual maintenance agreement or contract on equipment should be recorded here.

**Rents and Leases** – Costs for renting or leasing land, buildings, equipment and vehicles for either temporary or long range use by the City of Milpitas. Agreement should not have an option to buy or to acquire ownership at the end of the lease term. (Please see Capitalized Leases, also).

**Contributions to Non-City owned Capital Assets** – Costs incurred in capital improvement projects that the City does not have the ownership of the property. These costs generally incurred by the City for the benefits of the residents in Milpitas but the property is owned by another government agency. For example, the City spent money to improve the I880/237 intersection to improve the quality of life for local residents, but the City does not own the intersection. CalTrain owns the intersection. For ACCOUNTING USE ONLY – GASB 34.

## Legal Services

**Retainers and Fees** – Fees paid to engage the services of a professional adviser as an attorney.

**ABAG Attorney's Fees** – Fees paid to Associate Bay Area Government (ABAG) attorney.

**ABAG Settlements** – Costs paid to ABAG for settling insurance claims.

**Litigation** – Costs incurred to settling litigation or lawsuits. This should include costs incurred during legal proceedings.

## Elections

**Elections** – Includes expenditures for holding general primary and special elections.

## Communications

**Communications** – Except the categories below, any services provided by persons or businesses to assist in transmitting and receiving messages or information.

**Phone-Local** – Basic monthly telephone charges.

**Computer Data Lines** – Charges for computer data lines services such as internet user's fees and charges, T1 line monthly charges, and web site charges, if any.

**Phone-Long Distance** – Long distance telephone charges.

**FAX** – Fax line fees and charges.

**Pagers** – Pagers monthly fees.

**Cellular Phones** – Fees and charges associated with cellular telephones.

**Fire Alarms** – Fees and charges for usage and maintenance of fire alarm lines.

**Police Alarms** – Fees and charges for usage and maintenance of police alarm lines.

## Utilities

**Utilities** – Expenditures for energy except gas, electric and water. Examples are bulk oil normally used for heating, and bulk gasoline or diesel purchase for non-transportation use. Gasoline or diesel purchased for transportation purposes should be charged to account 4223 departmental supplies.

**Utilities-Gas** – Gas purchased from a public or private utility company for the City of Milpitas facilities consumption.

**Utilities-Electric** – Electricity purchased from a public or private utility company for the City of Milpitas facilities consumption.

**Utilities-Water** – Water purchased for the City of Milpitas facilities consumption. Drinking water bottles purchased should be charged to account 4221 Office Supplies.

**SFWD, Wholesale Water Purchase** – Water purchased from San Francisco Water Department (SFWD) for resale to the residence and businesses being served by the City of Milpitas.

**SCVWD, Wholesale Water Purchase** – Water purchased from Santa Clara Valley Water District (SCVWD) for resale to the residence and businesses being served by the City of Milpitas.

**Recycled Water Purchase** – Purchased for resale to the businesses being served by the City of Milpitas. For irrigation use only.

**Treatment Plant, Capital** – City of Milpitas share of the Water Pollution Control Plant-Capital Improvement Program paid to City of San Jose.

**Treatment Plant, M & O** – City of Milpitas waste water treatment fees paid to City of San Jose – Maintenance and Operation.

## Memberships, Training and Travel

**Membership and Dues** – Amount paid for an employee or group of employees of the City of Milpitas to be a member of an organization.

**Professional Licensing** – Fees paid for an employee of the City of Milpitas to acquire or renew a license or permit in order for him/her to exercise his/her profession. Examples are CPA and Civil Engineer licenses.

**Training/Registration** – Fees paid for a City of Milpitas employee to enroll or attend a seminar, workshop, and/or training class.

**Lodging/Travel** – This is the actual amount paid for a place to stay while a City of Milpitas employee is conducting out-of-the-office business (e.g. hotel accommodation). Airfare and other transportation expenses, except use of own vehicle, such as shuttle to airport and hotel, and car rental are recorded in this account. This is associated with approved travel request.

**Meals for Meetings** – Expenses incurred to provide food in conducting department and/or business meetings. Restaurant meals eaten off site must be approved in advance according to the SOP 8-1.

**Per Diem** – Specified daily meals, incidental expenses, and/or lodging allowance in lieu of actual meal(s), and/or lodging expenses incurred while conducting out-of-the-office business. This is associated with approved travel request. Per Diem rates vary according to your business destination. City of Milpitas' per diem rates are according to the Maximum Federal Per Diem Rates for Travel in Continental United States (CONUS). Please call the Finance Department or refer to the current IRS Publication 1542 for the appropriate per diem rates of your business destination.

**Mileage Reimbursement and Parking** – Payment to an employee for the use of his/her vehicle to conduct out-of-the-office business including parking costs. According to the City of Milpitas SOP 6-1, Section 2d, "Mileage reimbursement shall be at the rate as set by the Internal Revenue Code and shall be reimbursed for the distance between home and destination or work and destination, whichever is less." Please call the Finance Department or refer to the current IRS Publication 535 for the mileage rate.

**Tuition Reimbursement** – Amount reimbursed by the City of Milpitas to any employee qualifying for tuition reimbursement, based upon the City's policy. Please refer to the Memorandum of Understanding of each bargaining unit.

### **Commissions and Boards**

**Conference Expenses** – For COMMISSIONS and BOARDS USE ONLY. This is for conference related expenses.

**Non-Conference Expenses** – For COMMISSIONS and BOARDS USE ONLY. This is for non-conference related expenses.

### **Insurance and Settlements**

**Liability** – Payments of insurance premiums for general liability coverage, public official bond, administrative and property coverage.

### **Uncollectible Accounts**

**Uncollectible Accounts** – Portion of a receivable not expected to be collected. For ACCOUNTING USE ONLY.

**Collection Fees** – Fees paid to a collection agent (bureau) for collecting monies owed the City from unpaid receivables. The fees are usually based on a percentage of the collected total amount.

### **Depreciation and Amortization**

**Depreciation & Amortization** – Depreciation is the portion of the cost of a fixed asset charged as an expense during a particular period. Amortization is the portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. For ACCOUNTING USE ONLY.

### **Contingent Reserve**

**Contingent Reserve** – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, unsettled disputed claims. Includes reserve 1% of the General Fund Budget per the budget resolution, adjusted annually. For ACCOUNTING USE ONLY.

### **Loss on Sale**

**Loss on Sale** – Records the loss incurred on sale of property or equipment. ACCOUNTING USE ONLY.

### **Adjustment – Service and Supplies**

**Reduced Funding** – Budget amount to account for reduced funding.

### **Debt Service**

#### **Principal**

Expenditures for periodic principal maturities of general obligation bonds or payments of principal on general long-term debt other than bonds.

**Retirement of Principal** – Payments of Bond Principal.

**Principal – COP** – Payments of Bond Principal – Certificate of Participation.

**Principal – Advance** – Payments of other debt principal – Advanced fund.

#### **Interest**

Periodic interest on general obligation bonds or interest payments on general long-term debt other than bonds.

**Interest Expense** – Bond interest payments.

**Interest – COP** – Bond interest payments – Certificate of Participation

**Interest – Advance** – Other debt interest payments-Advanced fund.

### **Contractual Obligation**

Fiscal Agent's fees are payments made to financial institutions for services rendered in paying interest and redeeming debt at maturity.

**Cost of Issuance** – Payments to bond underwriters, legal fees and other costs associated with bond issuance.

### **Premium-Bond Prepayment**

**Premium-Bond Prepayment** – Fees (redemption premium) paid for early bond call (bond or any portion of its principal redeemed and paid in advance of maturity).

### **Capital Outlay > \$5,000**

Items to be recorded to the object and detail codes under this category should have acquisition cost of *\$5,000 or more per unit* and have a useful life of two or more years. Acquisition cost means the net invoice unit price of an item including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation; and, extended warranties when purchased at the time of the equipment can be included in the acquisition cost. Please see FIXED ASSETS INVENTORY CONTROL and CAPITALIZATION POLICY, also.

### **Capital Outlay**

**Capital Outlay** – Expenditures for the acquisition or construction of major capital facilities that do not fall under any of the Capital Outlay > \$5,000 categories. This is usually the accumulation of the Capital Improvement Project's (CIP) expenditures by phase. Though CIPs expenditures are coded in detail, the result rolls up to this account by phase.

### **Land**

**Land** – Purchase price plus legal and title fees, professional fees, surveying fees, site preparation cost, and/or any cost incurred to place land in condition for its intended use.

### **Land Improvements**

**Land Improvements** – Permanent improvements, other than buildings, that add value or useful life to land. Examples are parking lot, fence and gates, retaining walls, fountains, swimming pools, tennis courts, trails and paths.

### **Buildings and Improvements**

**Buildings and Improvements** – Permanent structures purchased or otherwise acquired by the City. Includes the principal amount of capital lease payments resulting in the acquisition of the building. Payments to building authorities or similar agencies are not to be included in the acquisition cost. The category includes improvements to buildings owned by the City of Milpitas. Examples are additional installation of heating and ventilating systems, and installation of fire protection system.

### **Infrastructure**

**Infrastructure** – Public domain capital assets includes roads, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, landscape systems, storm systems and traffic systems.

## **Vehicles**

**Vehicles** – Equipment used to transport persons or objects. Cost includes transportation charges, sales tax, installation costs and extended maintenance or warranty contracts, if purchased at the same time of the equipment. Examples are police cars, fire trucks, and maintenance trucks. Accessories and installation costs can be included if done during the purchase or within 30 days after the purchase of the vehicle.

## **Capitalized Leases**

**Capitalized Leases** – Principal lease payments for land, building, and/or equipment that will be acquired or subject for ownership within the term of the lease or at the end of the lease. Once acquired, it will be reclassified as land, building, or equipment. Lease contract usually has a clause indicating the option to buy.

## **Machinery and Equipment**

**Machinery and Equipment** – Any single machinery or equipment except vehicles and computer hardware and software, with an acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Examples of machinery and equipment are printing press, lathe machines, drill presses and movable generators.

**Computer Hardware** – Example is a server.

**Computer Software** – Examples are the Accounting Software being utilized by the City of Milpitas Finance Department and the Best Fixed Assets system.

## **Furniture and Fixtures**

**Furniture and Fixtures** – Office furniture and building fixtures.

## **Adjustments – C I P**

**Adjustments – CIP** – Account being used to record year-end CIP adjustments in accordance to the Generally Accepted Accounting Principles (GAAP) to reclassify CIP capital expenditures to the Fixed Assets.

## **Capital Outlay < \$5,000**

In addition to the fixed asset categories above, the City of Milpitas performs a risk assessment on City assets to identify those at risk or vulnerable to loss. Items that have a unit acquisition cost of less than \$5,000 but are vulnerable to loss is to be recorded to the following detail codes. Items that are not falling under the categories below should be charged to supplies categories.

## **Office Furniture and Fixtures**

**Office Furniture and Fixtures** – Examples are chair, table, dividers and workstations.

## **Machinery and Equipment**

**Machinery and Equipment** – Examples are fax machines, firearms, weapons, and defibrillators.

**Computer Hardware** – Examples are desktop computers, laptops, printers, and scanners.

**Computer Software** – Examples are application and utility programs such as Microsoft Windows programs.

**Electronic Equipment** – Examples are cell phones, radios, PDAs, digital cameras, and televisions.

## **Hydrants and Meters**

**Hydrants and Meters** – Cost of fire hydrants and water meters.

**Appendix** List of Funds

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<b>100</b>	<b>General Fund</b>	311	Street CIP
100	General	312	Traffic Impact Fees
101	Redevelopment Property Tax Trust Fund	314	Vehicle Registration Fee
102	Measure I TOT	320	Park Improvement
104	Cable Rebate	321	Park Improvement CIP
105	Abandoned Vehicle Abatement	322	Midtown Park Fee
120	Browning Ferris Holding	330	General Government
130	Private Job Developer Deposits	331	General Government CIP
140	Housing Activities	340	Storm Drain Development
150	Redevelopment Activities	341	Storm Drain CIP
160	1432-1446 S.Main Street Properties	350	Transit Area Impact Fee
		351	Transit Area CIP
<b>200</b>	<b>Special Revenue Funds</b>	390	Redevelopment Project
211	Hetchy-Hetchy Ground Lease	391	Redevelopment CIP
212	Public Art-Restricted	392	1997 RDA Tax Allocation Bonds CIP
213	Public Art-Nonrestricted	395	2003 RDA Tax Allocation Bonds CIP
221	Gas Tax		
235	95-1 Lighting and Landscape Maint. District	<b>400</b>	<b>Enterprise Funds</b>
236	98-1 Lighting and Landscape Maint. District	400	Water Maintenance and Operation
237	2005 Community Facility District	401	Water CIP
250	Housing and Community Development	402	Water Line Extension
251	Housing and Community Dev Loan	405	Water Infrastructure Replacement
261	Supplemental Law Enforcement Services	450	Sewer Maintenance and Operation
262	State Asset Seizure	451	Sewer CIP
263	Federal Asset Seizure	452	Treatment Plant Construction
267	Justice Assistance Grant	453	Sewer 2006 COPS
280	Solid Waste Services	455	Sewer Infrastructure Replacement
290	Housing Reserve		
295	Housing Authority	<b>500</b>	<b>Internal Service Funds</b>
		500	Equipment Management
<b>300</b>	<b>Capital Projects Funds</b>	505	Information Technology Rplcmt
310	Street Improvement	506	Permit Automation Fund

**600 Agency Funds**

- 602 Deferred Compensation
- 618 Local Improvement District #18
- 641 Short Term Disability
- 643 MSA MOU Contractual Agreement
- 644 Police MOU Contractual Agreement
- 645 Police Command Staff Benefits
- 646 PROTECH MOU Contractual Agreement
- 647 LIUNA MOU Contractual Agreement
- 648 IAFF MOU Contractual Agreement
- 649 Unrep MOU Contractual Agreement
- 681 LID #18 - Reassessment and Refunding
- 682 LID #18 - 1998 Bond Series A
- 683 LID #20 - 1998 Bond Series A
- 684 LID #21 - Refunding of LIDs #9R & #12R
- 691 Senior Advisory Commission

**1 City Manager**

- 10 City Council
  - 100 City Council
- 11 City Manager
  - 111 City Manager
  - 114 City Clerk

**2 City Attorney**

- 12 City Attorney
  - 120 City Attorney

**13 Building and Safety**

- 53 Building and Safety
  - 531 Building Inspection Services
  - 532 Plan Checking
  - 533 Building Administration
  - 534 Permit Center
  - 535 Public Work Inspection Services

**11 Information Services**

- 14 Information Services
  - 112 Information Services

**6 Human Resources and Recreation Services**

- 15 Human Resources
  - 115 Human Resources
- 45 Recreation
  - 161 Recreation Administration
  - 162 Senior Citizen Services
  - 163 Preschool
  - 164 Youth Program
  - 166 Teens
  - 167 Special Events
  - 168 Cultural Arts
  - 169 Rainbow Theatre
  - 170 General Classes
  - 171 Aquatics
  - 172 Sports and Fitness Classes
  - 173 Adult Sports
  - 174 Volunteer Services

**3 Finance**

- 30 Finance Administration
  - 300 Finance Administration
- 31 Finance Operations
  - 310 Finance Operations

**4 Public Works**

- 42 Public Works
  - 400 Public Works Administration
  - 421 Street Maintenance
  - 423 Utility Maintenance
  - 424 Park Maintenance
  - 425 Trees & Landscape Maintenance
  - 426 Fleet Maintenance
  - 427 Facilities Maintenance
- 41 Engineering
  - 411 Engineering Administration
  - 412 Design and Construction
  - 413 Land Development
  - 415 Traffic Engineering
  - 416 Utility Engineering

**5 Planning and Neighborhood Services**

- 51 Planning and Neighborhood Services
  - 512 Planning
  - 551 Neighborhood Services

**7 Police**

- 70 Police Administration
  - 700 Police Administration
- 71 Support Services Bureau/Technical
  - 711 Records
  - 712 Training and Personnel
  - 713 Communications
- 72 Operations Bureau/Field Services
  - 721 Patrol Services
  - 722 Traffic
  - 723 Crossing Guards
- 73 Support Services Bureau/Special
  - 714 Community Relations/Youth
  - 724 Investigations

**8 Fire**

- 80 Fire Administration
  - 801 Fire Administration
- 81 Emerg Resp & Prep Division
  - 812 A/B/C Battalions Operations
  - 840 Disaster Prep & Public Education
- 82 Prevention Division
  - 821 Prevention Division Admin
  - 822 Fire Inspection, Plan Check & Investigation

**9 Non-Departmental**

- 91 Non-Departmental
  - 910 Non-Departmental
- 92 Debt Service
  - 920 Debt Service
- 93 Equipment to be Depreciated
  - 930 Equipment to be Depreciated
- 94 Economic Development Corporation
  - 941 1432 S. Main
  - 942 1452 S. Main
- 95 Other Functions
  - 951 Capital Improvement Projects
- 98 Senior Advisory Commission
  - 981 Senior Advisory Commission

**300 Property Taxes**

- 3010 Property Taxes-Current
  - 3010 Property Taxes-Current
  - 3011 Current-Secured Property Taxes
  - 3012 Current-Unsecured Property Taxes
  - 3531 Property Tax, Supplemental
- 3020 Property Taxes-Prior
  - 3020 Property Taxes-Prior
  - 3021 Prior-Secured Property Taxes
  - 3022 Prior-Unsecured Property Taxes

**310 Other Taxes**

- 3110 Sales and Use Tax
  - 3110 Sales and Use Tax
  - 3111 .5% Sales and Use Tax
- 3120 Real Estate Transfer Tax
  - 3120 Real Estate Transfer Tax
- 3130 Franchise Tax
  - 3131 Electric Franchise
  - 3132 Gas Franchise
  - 3133 Garbage Franchise-Commercial
  - 3134 Garbage Franchise-Non-Commercial
  - 3135 Solid Waste-Community Relations
  - 3136 Solid Waste-Household Haz Waste
  - 3137 Nitrogen Gas Franchise
  - 3138 CATV Franchise
  - 3139 County-wide AB 939 Fees
- 3140 Business License Tax
  - 3140 Business License Tax
- 3150 Hotel/Motel Tax
  - 3151 Beverly Heritage
  - 3152 Embassy Suites
  - 3153 Crowne Plaza
  - 3154 Sheraton
  - 3155 Best Western-Brookside
  - 3156 Larkspur Landing
  - 3157 Park Inn
  - 3158 Audited TOT
  - 3160 Executive Inn
  - 3161 Days Inn
  - 3162 Extended Stay of America
  - 3163 Hampton Inn-Milpitas

- 3164 Hilton Garden Inn
- 3165 Homestead Village
- 3166 Marriott Courtyard
- 3167 Milpitas Travelodge
- 3169 Residence Inn by Marriott
- 3170 Best Value Inn
- 3171 Towneplace
- 3172 Stay Bridge Suites

**320 Licenses and Permits**

- 3210 Building Permits
  - 3210 Building Permits
  - 3211 Plan Check Revisions
  - 3212 After Hour Plan Check
  - 3213 After Hours Inspection
  - 3214 Re-inspection
  - 3215 Dedicated Building Services
  - 3216 Mobile Home Inspections
  - 3217 Plan Check
  - 3218 Building Investigation
- 3220 Fire Permits (Annual)
  - 3220 Haz Mat Const Permits & Insp
  - 3221 Life Safety Const Permits & Insp
  - 3222 Haz Mat Annual Permits & Insp
  - 3223 Fire Penalties
  - 3224 Hazardous Waste Fees
  - 3225 Non-Pt Source Permits & Insp
- 3240 Life Safety Annual Permits and Insp
  - 3240 Life Safety Annual Permits & Insp
  - 3241 Haz Mat Construction Permits
- 3250 Fire Inspections
  - 3250 Fire Inspections
  - 3251 Building Standards and Life Safety
  - 3252 Fast Track After Hour Inspection

**330 Fines and Forfeits**

- 3300 Fines and Forfeits
  - 3301 Vehicle Code Fines
  - 3302 Other Court Fines
  - 3304 Hazardous Materials Fines
  - 3305 Booking Fees
  - 3306 NBO Violation Fees
  - 3307 Impound Fees
  - 3308 Animal Violations
  - 3309 False Alarm Fee
  - 3310 Fire Administrative Citation
  - 3311 Building Administrative Citation
  - 3312 Planning Administrative Citation
  - 3313 PW Municipal Code Fines
  - 3321 Urban Runoff Fines

**340 Revenues from Use of Money**

- 3430 Investments
  - 3430 Interest Income
  - 3431 Pooled Interest (nonallocation)
  - 3432 Cash with Fiscal Agents
  - 3433 Other Interest Income
  - 3434 Pooled Interest (allocation)
  - 3435 Gain on Sale of Investments
  - 3436 Market Value Gain/Loss on Inv
  - 3437 Gain on Bond Refunding
  - 3438 Interest from Deferred Revenue

**350 Intergovernmental Revenue**

- 3510 In Lieu Tax
  - 3511 Motor Vehicle In Lieu Tax
  - 3512 State Trailer Coach In Lieu Tax
- 3520 Tax Relief
  - 3521 Homeowners Property Tax Relief
  - 3522 Business Inventory Tax Relief
- 3530 Tax
  - 3532 Off-Highway Tax
- 3540 Gas Tax
  - 3543 Section 2103-Gas Tax
  - 3545 Section 2105-Gas Tax
  - 3546 Section 2106-Gas Tax
  - 3547 Section 2107-Gas Tax
  - 3548 Section 2107.5-Gas Tax

**3550 Federal Contributions**

- 3551 Federal Contrib-General Gov't
- 3553 Federal Contrib-Building
- 3555 Federal Contrib-Public Works
- 3556 Federal Contrib-Recreation
- 3557 Federal Contributions-Police
- 3558 Federal Contributions-Fire
- 3559 Federal Contributions-Planning

**3560 State Contributions**

- 3561 State Contrib-General Gov't
- 3562 POST Grant
- 3563 State Contributions-Building
- 3565 State Contrib-Public Works
- 3566 State Contributions-Recreation
- 3567 State Contributions-Police
- 3568 State Contributions-Fire
- 3569 State Contributions-Planning

**3570 County Contributions**

- 3571 County Contrib-General Gov't
- 3572 S Bay Water Recycling Prog
- 3573 County Contributions-Building
- 3575 County Contrib-Public Works
- 3576 County Contrib-Recreation
- 3577 County Contributions-Police
- 3578 County Contributions-Fire
- 3579 County Contributions-Planning

**3580 Other Restricted Grants**

- 3581 Other Restricted Grants-General
- 3582 SB90 Grant
- 3583 Other Restricted Grants-Building
- 3585 Other Restricted Grants-Pub Wks
- 3586 Other Restricted Grants-Rec
- 3587 Other Restricted Grants-Police
- 3588 Other Restricted Grants-Fire
- 3589 Other Restricted Grants-Planning

**3590 Misc Unrestricted Intergovernmental**

- 3591 Misc Unrestricted Intergov'l
- 3592 ERAF Refund

**360 Charges for Services**

- 3600 General Government
  - 3601 Gen Government Service Charges
  - 3602 Sales of Maps and Documents-GG
  - 3603 Rents, Lease and Concession-GG
  - 3604 B L Processing Fee
  - 3608 PJ Legal Overhead Charges
  - 3609 PJ Legal Reimbursement
- 3610 Public Works and Engineering Services
  - 3611 PJ Overhead Charges - PW/E
  - 3612 PJ Labor Reimbursement - PW/E
  - 3613 PJ Vendor Reimbursement- PW/E
  - 3614 Assessment for Capital Purpose
  - 3615 Public Works & Eng Service Charges
  - 3616 PW & Eng Plan Check Fee
  - 3618 Sales of Maps & Documents - PW/E
  - 3619 Rents, Lease & Concession - PW/E
  - 3671 Public Works Service Charges
  - 3672 Public Works Cost Recovery
- 3620 Water and Sewer Charges
  - 3621 Water Charges
  - 3622 Water Service Agreements
  - 3623 Metered Water Sales
  - 3624 Other Water Sales
  - 3625 Excess Water Use Charges
  - 3626 Construction Water
  - 3627 Water and Sewer Reimbursements
  - 3628 Sewer Service Charges
- 3630 Fire Services
  - 3631 PJ Overhead Charges - Fire
  - 3632 PJ Labor Reimbursement - Fire
  - 3633 Fire Cost Recovery
  - 3634 Unwanted Alarms-Fire
  - 3635 Fire Enforcement-Penalties
  - 3636 Fire Enforcement-Training
  - 3637 Fire Service Charges
  - 3638 Sales of Maps & Docs-Fire
  - 3639 Fire Electronic Archive Fee
  - 3691 Fire GIS Mapping Fee
  - 3692 Fire Automation Fee
- 3640 Police Services
  - 3641 Police Service Charges
  - 3643 Fingerprints

- 3644 Sales of Maps & Docs-Police
- 3645 Police Cost Recovery
- 3646 Rents, Lease & Concess-Police
- 3647 DUI-Police Cost Recovery
- 3650 Recreation Services
  - 3651 Rents, Lease & Concess-Rec
  - 3652 Recreation Fees
  - 3653 Senior Nutrition Fees
  - 3654 Sales of Maps & Docs-Rec
  - 3655 Sales of Merchandise-Rec
- 3660 Building Services
  - 3661 Sales of Documents-Building
  - 3662 Records Retention Fee
  - 3663 Building Service Charges
  - 3664 Overhead Chgs Reimbursemt
  - 3665 PJ Overhead Chgs - Building
  - 3666 PJ Labor Reimbursemt - Building
  - 3667 Building State Mandated Stds Fee
- 3680 Planning Services
  - 3617 Planning Fees
  - 3681 PJ Overhead Charges - Plan
  - 3682 PJ Labor Reimbursement - Plan
  - 3683 PJ Vendor Reimbursement - Plan
  - 3684 Sales of Maps & Documents - Plan
  - 3685 Housing & Neighborhood Svcs
  - 3686 Planning Plan Check Fees

**370 Miscellaneous Revenue**

- 3710 Development
  - 3710 Development
  - 3711 Storm Drain Connection Fee
  - 3712 Park Development Fees
  - 3713 Sewer Permit Fees
  - 3714 Treatment Plant Fees
  - 3715 Connection Fees
  - 3716 Fire Hydrant Fees
  - 3717 Encroachment Permit Fees
  - 3718 Impact Fees
- 3720 Special Assessments
  - 3720 Special Assessments
  - 3721 Special Assessments-Prepayments

**Appendix** List of Revenues

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- 3730 Recycling
  - 3730 Recycling
- 3740 Reimbursements
  - 3741 Repayment
  - 3742 Principal
  - 3743 Interest Income
  - 3744 Advance-Principal Repayment
  - 3745 Advance-Interest Earnings
  - 3746 HazMat Incidents
- 3750 Donations
  - 3750 Donations
- 3760 Developer Contribution
  - 3760 Developer Contribution
- 3770 Sale of Property, Plant and Equipment
  - 3770 Sale of Property, Plant & Equipment
  - 3771 Fire Safe Program
  - 3772 Police Abandon Properties
- 3790 Miscellaneous Revenue
  - 3791 Cash Over/(Short)
  - 3792 Clearing, Various
  - 3799 Miscellaneous Other Revenue

**410 Personnel Services**

- 4110 Wages
  - 4111 Permanent
  - 4112 Temporary
  - 4113 Overtime
- 4120 Allowances/Leaves
  - 4121 Allowances
  - 4124 Leave Cashout
  - 4125 Accrued Leave
- 4130 Benefits
  - 4131 PERS
  - 4132 Group Insurance
  - 4133 Medicare
  - 4135 Workers' Compensation
  - 4136 Unemployment
  - 4137 MOU Contractual Agreements
  - 4138 Deferred Compensation
  - 4139 PARS
- 4140 Adjustments-Payroll
  - 4141 Payroll Adjustment
  - 4142 Vacancy Factor
  - 4143 Charged to CIPs
  - 4144 Reduced Funding
  - 4151 Compensation Reduction
- 4160 Retiree Benefits
  - 4161 Retiree Medical Reserve
  - 4162 Retiree Medical Payment
  - 4163 Retiree Medical Reimbursement

**420 Services and Supplies**

- 4200 Community Promotions, Grants and Loans
  - 4201 Community Promotions
  - 4202 Community Promotions-CC Allocated
  - 4203 Community Promotions-CC Unallocated
  - 4204 Cultural Arts Grants
  - 4205 Miscellaneous Grants
  - 4206 Sports Grants
  - 4207 Housing Rehab Loans
  - 4208 CDBG Grants
  - 4209 Miscellaneous Loans
- 4210 Department Allocations
  - 4211 Equipment Replacement Amortization

- 4220 Supplies
  - 4221 Office
  - 4223 Departmental
  - 4224 Maintenance
  - 4225 Health and Safety
- 4230 Services
  - 4231 Advertising
  - 4232 Blueprinting
  - 4237 Contractual Services
  - 4238 Contractual Services/PJs'
  - 4239 Audit Fees
  - 4240 Street Sweeping
  - 4241 Repair and Maintenance
  - 4242 Rents and Leases
  - 4243 Contributions to Non-City
- 4250 Legal Services
  - 4252 Retainers and Fees
  - 4253 ABAG Attorney's Fees
  - 4254 ABAG Settlements
  - 4255 Litigation
  - 4256 IBNR Adjustment
- 4280 Elections
  - 4280 Elections

**440 Communications and Utilities**

- 4410 Communications
  - 4411 Phone-Local
  - 4412 Computer Data Lines
  - 4413 Phone-Long Distance
  - 4414 FAX
  - 4415 Pagers
  - 4416 Cellular Phones
  - 4417 Fire Alarms
  - 4418 Police Alarms
- 4420 Utilities
  - 4421 Gas
  - 4422 Electric
  - 4423 Water
  - 4424 SFWD, Wholesale Water
  - 4425 SCVWD, Wholesale Water
  - 4427 Recycled Water Purchase
  - 4428 Treatment Plant, Capital
  - 4429 Treatment Plant, M & O

**450 Memberships, Training and Travel**

- 4500 Memberships, Training and Travel
  - 4501 Memberships and Dues
  - 4502 Professional Licensing
  - 4503 Training and Registration
  - 4505 Lodging and Travel
  - 4506 Meals for Meetings
  - 4507 Per Diem
  - 4508 Mileage Reimbursement and Parking
  - 4509 Tuition Reimbursement
- 4520 Commissions and Boards
  - 4521 Conference Expenses
  - 4522 Non-Conference Expenses

**460 Insurance Settlements and Contingencies**

- 4600 Insurance and Settlements
  - 4602 Liability
- 4610 Uncollectible Accounts
  - 4610 Uncollectible Accounts
  - 4611 Collection Fees
- 4630 Depreciation and Amortization
  - 4630 Depreciation and Amortization
- 4640 Contingent Reserve
  - 4640 Contingent Reserve
- 4650 Loss on Sale
  - 4650 Loss on Sale
- 4660 Other Miscellaneous and Corrections
  - 4660 Other Miscellaneous and Corrections

**470 Debt**

- 4700 Principal
  - 4701 Retirement of Principal
  - 4702 Principal-COP
  - 4703 Principal-Advance
- 4710 Interest
  - 4711 Interest Expense
  - 4712 Interest-COP
  - 4713 Interest-Advance
- 4720 Contractual Obligation
  - 4720 Contractual Obligation
  - 4721 Cost of Issuance

- 4730 Premium- Bond Prepayment
- 4730 Premium- Bond Prepayment

**480 Capital Outlay > \$5,000**

- 4800 Capital Outlay
  - 4800 Capital Outlay
- 4810 Land
  - 4811 Land
- 4820 Land Improvements
  - 4821 Land Improvements
- 4830 Buildings and Improvements
  - 4831 Buildings and Improvements
- 4840 Infrastructure
  - 4841 Infrastructure
- 4850 Vehicles
  - 4851 Vehicles
- 4860 Capitalized Leases
  - 4864 Capitalized Leases
- 4870 Machinery and Equipment
  - 4873 Machinery and Equipment
  - 4874 Computer Hardware
  - 4875 Computer Software
- 4880 Furniture and Fixtures
  - 4881 Furniture and Fixtures

**490 Capital Outlay < \$5,000**

- 4910 Office Furniture and Fixtures
  - 4911 Office Furniture and Fixtures
- 4920 Machinery, Tools and Equipment
  - 4921 Machinery, Tools & Equipment
  - 4922 Computer Hardware
  - 4923 Computer Software
  - 4924 Electronic Equipment
- 4930 Hydrants and Meters
  - 4931 Hydrants
  - 4932 Meters

**Appendix** Abbreviations and Acronyms

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AB	Assembly Bill	EAP	Employee Assistance Program
ABAG	Association of Bay Area Governments	EIR	Environmental Impact Report
ADA	Americans with Disabilities Act	EMD	Emergency Medical Dispatch
ALS	Advanced Life Support	EMS	Emergency Medical Service
AMR	American Medical Response	EMT	Emergency Medical Technician
AP	Accounts Payable	EOC	Emergency Operations Center
AR	Accounts Receivable	EPA	Environmental Protection Agency
ARRA	American Recovery and Reinvestment Act	EPC	Emergency Preparedness Commission
Auth FTE	Authorized Full-Time Equivalent positions	ERAF	Educational Revenue Augmentation Fund
AVASA	Abandoned Vehicle Abatement Service Authority	FBI	Federal Bureau of Investigation
A / V	Audio/Visual Equipment	FEHA	Fair Employment and Housing Act
AWS	Allied Waste Services	FEMA	Federal Emergency Management Admin
BAAQMD	Bay Area Air Quality Management District	FICA	Federal Insurance Contributions Act
BART	Bay Area Rapid Transit	FMLA	Family Medical Leave Act
CAD	Computer Aided Dispatch	FPPC	Fair Political Practices Commission
CAFR	Comprehensive Annual Financial Report	FTA	Federal Transit Authority
CalPERS	California Public Employee Retirement System	FTE	Full-Time Equivalent
Caltrans	California Department of Transportation	FY	Fiscal Year
CAPER	Consolidated Annual Plan & Performance Eval Rpt	GAAP	Generally Accepted Accounting Principles
CATV	Cable Television	GASB	Governmental Accounting Standards Board
CCPI	California Consumer Price Index	GFOA	Government Finance Officers Association
CDBG	Community Development Block Grant	GIS	Geographic Information System
CEQA	California Environmental Quality Act	GPS	Global Positioning System
CIP	Capital Improvement Program	Haz Mat	Hazardous Materials
CIT	Counselor in Training Program	HCD	Housing and Community Development
CMAS	California Multiple Awards Schedule	HMO	Health Maintenance Organization
CMO	City Manager's Office	HR	Human Resources
CO	Certificate of Occupancy	HUD	Housing and Urban Development
COBRA	Consolidated Omnibus Budget Reconciliation Act	HVAC	Heating, Ventilating and Air Conditioning
COMPST	Computerized Statistics	I	Interstate
COPs	Certificates of Participation	ICMA	Intern'l City/County Mgmt Association
COPS	Community Oriented Policing Services	IS	Information Services
CPI	Consumer Price Index	IVR	Integrated Voice Recognition
CPR	Cardio-Pulmonary Resuscitation	JPA	Joint Power Authority
CRS	Community Rating System	KB	Kaufman & Broad
CSMFO	California Society of Muni Finance Officers	LAFCO	Local Agency Formation Commission
DARE	Drug Abuse Resistance Education	LED	Light-Emitting Diode
DDA	Disposition and Development Agreement	LIUNA	Laborers' International Union of N. America
DMV	Department of Motor Vehicles	LID	Local Improvement District
DOHS	Department of Health Services	LLEBG	Local Law Enforcement Block Grant
DPC	Document Processing Center	LMD	Light & Landscape Maintenance District
DPW	Department of Public Works	LOMR	Letter of Map Revision
DUI	Driving Under the Influence	M & O	Maintenance and Operation

**Appendix** Abbreviations and Acronyms

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MEA	Milpitas Employees Association	SCVWD	Santa Clara Valley Water District
MLS	Major League Soccer	SEMS	Standardized Emergency Management
MOU	Memorandum of Understanding	SERAF	Supplmntl Educ. Rev. Augmentation Fund
MSA	Milpitas Supervisors Association	SFPUC	San Francisco Public Utilities Commission
MUSD	Milpitas Unified School District	SLETS	Sheriff's Law Enforcement Telecom System
MVP	Milpitas Volunteer Program	SOP	Standard Operating Procedure
NAIOP	Nat Assoc of Industrial & Office Properties	SV-ITS	Silicon Valley Intelligent Transportation
NBO	Neighborhood Beautification Ordinance	SVU	Santa Clara Valley Unwired
NOVA	North Valley Private Industry Council	SWAT	Special Weapons and Tactics
O&M	Operating and Maintenance	TABs	Tax Allocation Bonds
OES	Office of Environmental Services	TAG	Technology Application Group
OPA	Owner Participation Agreement	TIA	Traffic Impact Analysis
OSHA	Occupational Safety and Health Admin	TDM	Transportation Demand Management
PAL	Police Athletic League	TOT	Transient Occupancy Tax
PAR	Performance Appraisal Report	UBC	Uniform Building Code
PC	Planning Commission	UCR	Uniform Crime Reports
PCR	Police Community Relations	UFC	Uniform Fire Code
PERS	Public Employees Retirement System	VLF	Vehicle License Fee
PLAN	Pooled Liability Assurance Network	VTA	Valley Transportation Authority
POST	Peace Officers Standards and Training	WMD	Weapons of Mass Destruction
PPO	Preferred Provider Organization	WPCP	Water Pollution Control Plant
PRCRC	Parks, Recreation and Cultural Resour Com	YBA	Youth Basketball Association
PRV	Pressure Reducing Valves	YSB	Youth Service Bureau
PUC	Public Utility Commission	YTD	Year to Date
RAP	Recreation Assistance Program		
R & D	Research and Development		
RDA	Redevelopment Agency		
RFP	Request for Proposal		
RPTTF	Redevelopment Property Tax Trust Fund		
RMS	Records Management System		
RWQCB	Regional Water Quality Control Board		
SAFE	Strategic Actions For Emergencies		
SBDC	Small Business Development Center		
SBWRP	South Bay Water Recycling Program		

## Glossary of Terms

**Accrual Basis** — A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

**Accomplishment** — Programs and activities successfully completed in the prior fiscal year.

**Agency Funds** — One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

**Appropriation** — An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**Appropriations Limit** — Proposition 4 approved by the voters in 1980 limits the amount of money that cities may spend each year. This limit is set each year based on the amount that was appropriated in 1978-79 and adjusted each year for population growth and a cost-of-living factor.

**Assessed Valuation** — The value of real property and improvements, as determined by the County Assessor, against which the property tax levy is assessed.

**Asset** — Resources owned or held by a government that have a monetary value.

**Balanced Budget** — A balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures.

**Bond** — A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**Budget** — A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

**Budgetary Basis** — This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

**Budget Calendar** — The schedule of key dates which government follows in preparation and adoption of the budget.

**Budgetary Integration** — The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of the available appropriations and resources. A system of controls to ensure and demonstrate budgetary compliance with uncommitted balance of appropriations (avoid overspending or over committing budget) and unrealized revenues (monitor on an ongoing basis to determine whether spending reductions are needed to keep the budget in balance).

**Building Permit Fee** — Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on valuation. Electrical or plumbing/mechanical work also requires a similar permit with an itemized fee schedule.

**Business License Tax** — A tax imposed upon businesses in the community. The fee is a flat rate plus a minimal charge per employee.

**Capital Assets** — Assets of significant value and having a useful life of several years (the term fixed assets is also used).

**Capital Budget** — A plan of proposed capital expenditures and the appropriations to finance them. The capital budget is usually enacted as part of the complete annual budget that includes both an operating component and a capital component. The capital budget should be based on a capital improvement program (CIP) and is typically the first year of a multi-year CIP.

**Capital Improvement** — Projects which purchase or construct capital assets. Typically capital improvements include new street improvements, park development, the acquisition of land, major construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.

**Capital Improvement Program** — A comprehensive five-year plan of implementing proposed capital projects which identifies priorities as to need, cost, and method of financing during the next five years. The first year of the CIP is typically adopted as the current capital budget.

**Capital Projects Fund** — Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Capital Outlay** — Expenditure for the acquisition of equipment for direct services with a useful life of two or more years and an acquisition cost of \$5,000 or more per unit (i.e. police vehicles, riding mowers, etc.). Capital Outlay is budgeted in the operating budget.

**Comprehensive Annual Financial Report (CAFR)** — The official annual financial report for the City. A CAFR is compiled by a state, municipal or other governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing Governmental Accounting Standards Board (GASB) requirements. It is composed of three sections: Introductory, Financial and Statistical. It combines the financial information of fund accounting and Enterprise Authorities accounting.

**Contingency Reserve** — A specific line item appropriation from which to distribute additional funds to decision units for salary increases resulting from employee contract negotiations and to pay for emergencies or unanticipated expenditures that from time to time arise during the course of a fiscal year.

**Contractual Services** — Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements and professional consulting services.

**Debt Service** — Payment of interest and repayment of principal to holders of the City's debt instruments.

**Defeasance** — The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor.

**Department** — An organizational unit of government which is functionally unique in its delivery of services.

**Discount** — The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**Effectiveness** — The degree to which an entity, program or procedure is successful at achieving its goals and objectives.

**Efficiency** — The degree to which an entity, program or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

**Encumbrances** — Commitments against an approved budget for unperformed (executed) contracts for goods and services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

**Enterprise Fund** — Used to account for specific services, i.e. water and sewer, which are funded directly by fees and charges to external users.

**Equipment Charges** — Charges or "rental fees" charged to user departments to defray the cost of maintaining the equipment used and to replace the equipment when it exceeds its useful life.

**Expenditure** — The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

**Expense** — Charges incurred for operations, maintenance, interest or other charges.

**Fiduciary Fund** — The term is used when a governmental unit acts in a fiduciary capacity such as a trustee or agent. The government unit is responsible for handling the assets placed under its control.

**Final Budget** — The budget document adopted by resolution following the budget hearings in June of each year. The document formally incorporates any Council changes to the preliminary budget, resulting from the budget hearings.

**Fiscal Year** — The financial year for the City of Milpitas is July 1 through June 30 of the subsequent year.

**Fixed Assets** — Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture or other equipment.

**Franchise Fee** — A regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas, i.e. garbage franchise fee, gas and electric franchise fee, and nitrogen gas franchise fee.

**Function** — A discrete entity such as an organizational unit or groupings of interrelated programs within a department or division whose appropriations for salaries, services and supplies, and capital outlay can easily be subjected to analysis in the budget process.

**Fund** — An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

**Fund Balance** — Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other uses.

**Gas Tax** — Share of revenue derived from the State taxes on gasoline.

**Generally Accepted Accounting Principles (GAAP)** — The standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as **Accounting Standards**. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing, and in the preparation of financial statement.

**General Fund** — The main operating fund of the City.

**Government Accounting Standards Board (GASB)** — A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

**Governmental Funds** — Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

**Hotel/Motel Tax** — A transient occupancy (less than 30 days at a hotel or motel) tax imposed for general purposes. The tax is currently 10% of receipts.

**Infrastructure** — The physical assets of a government (i.e. streets, water and sewer systems, public buildings and parks).

**Interest** — Income resulting from the prudent investment of idle cash. The types of investments are controlled by the City's Investment Policy in accordance with the California Government Code.

**Internal Service Funds** — Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units or to other governments on a cost-reimbursement basis.

**Legal Level of Budgetary Control** — The lowest level at which a government's management may not reallocate resources without special approval from the legislative body.

**Level of Service** — A description of the services provided, or activities performed, and the cost and personnel requirements.

**Line Item** — The description of an object of expenditure, i.e. salaries, supplies, contract services, etc.

**Materiality** — The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstance, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. The objective of accountability in governmental financial reporting requires materiality to be judged in both a quantitative and qualitative manner (involves such issues as legal and contractual compliance).

**Modified Accrual Basis** — A basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accumulated unpaid vacation, sick pay and other employee benefit amounts, which are recognized as expenditures to the extent they have matured.

**Motor Vehicle In Lieu** — A share of the revenue derived from registration fees charged by the State.

**Objective** — Program or activity intended to be implemented in the ensuing fiscal year.

**Operating Budget** — A financial plan for the provision of direct services and support functions.

**Overhead Charges** — A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account.

**Park Development Fee** — The fee paid by a developer or sub-developer for park or recreation purposes in lieu of the dedication of land.

**Performance Indicators** — Quantitative measures of accomplishments and objectives, sometimes known as workload/performance measures.

**Personnel Services** — Expenditures for salaries, wages and fringe benefits of a government's employees.

**Personnel Allotment** — List of full-time and part-time employees required to support a division or function, listed by their classification or title.

**Personnel Analysis** — Changes to personnel allotment from the previous fiscal year. Reorganizations, reclassifications and reallocation of resources are highlighted in this section.

**Prior-Year Encumbrances** — Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the

appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

**Property Tax** — A tax imposed on real property (land and permanently attached improvements) based upon the assessed value of the property. The tax rate may not exceed 1% of assessed value.

**Proposed Budget** — The budget document recommended by the City Manager that is approved as may be amended by the City Council during budget hearings. The hearings are held in May or June, and the approval of the Preliminary Budget gives spending authority effective each July 1st for the subsequent fiscal year.

**Proprietary Funds** — Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**Recreation Fees** — Charges for services provided to participants of Community and Recreation Services' classes, activities, and recreational sports.

**Redevelopment** — The planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of real property, and the provision of such residential, commercial, industrial, public, or other structures appropriate to the general welfare of the City.

**Redevelopment Property Tax Trust Fund** — residual distributions of property tax revenue from dissolved Redevelopment Agency. The Redevelopment Agency is dissolved on 1/31/2012 due to ABX126.

**Rents and Concessions** — Charges for group rentals of City facilities.

**Reserves** — A savings account maintained for restricted use, i.e. self-insurance programs, capital improvement projects, or for unrestricted use to protect the City from emergencies or unanticipated expenditures.

**Revenue Analysis** — Departmental revenue sources are described. Revenue increases, decreases and strategies are highlighted in this section.

**Sales Tax** — Of the \$0.0875 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$0.01 is returned to the City.

**Supplies and Contractual Services** — The category of line items that describe non-salary and non-capital outlay expenditures.

**Special Revenue Fund** — Used to account for revenue that is set aside for restricted use, e.g. gas tax receipts are set aside in such a fund to be used solely for street improvements.

**Supplemental Appropriation** — An additional appropriation made by the governing body after the budget year has started.

**Taxes** — Compulsory charges levied by a government for the purposes of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

**Transfers In/Out** — Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

**Unassigned Unrestricted Fund Balance** — Available expendable financial resources in a governmental fund that are not the object of tentative management plans.

**Working Capital** — Working Capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital.

**Workload/Performance Measures** — Quantitative measures of services provided, or activities performed, by an organizational unit.

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